United Nations A/56/88

General Assembly

Distr.: General
7 June 2001
English
Original: English/Spanish

Fifty-sixth session
Item 106 of the preliminary list*
Offers by Member States of study and training facilities for inhabitants of Non-Self-Governing Territories

Offers by Member States of study and training facilities for inhabitants of Non-Self-Governing Territories

Report of the Secretary-General

I. Introduction

1. By General Assembly resolution 845 (IX) of 22 November 1954, Member States were invited to extend to the inhabitants of Non-Self-Governing Territories offers of facilities not only for study and training of university standard, but also for study at the post-primary level, as well as technical and vocational training of immediate practical value.

2. In accordance with General Assembly resolution 1696 (XVI) of 19 December 1961, offers extended under resolution 845 (IX) are communicated by the Secretariat to the administering Powers to enable them to give appropriate publicity to the offers in the Territories under their administration.

3. Information on scholarships offered by Member States under the programme is made available to prospective applicants. Reference to the programme is included in the thirtieth edition of the handbook entitled *Study Abroad*, published by the United Nations Educational, Scientific and Cultural Organization.

4. Under the terms of General Assembly resolution 845 (IX) and subsequent resolutions,[1] the Secretary-General submits to the Assembly each year a report containing detailed information on the offers made and the extent to which they were utilized.[2] The present report, which covers the period from 1 June 2000 to 7 June 2001, is submitted in accordance with paragraph 5 of General Assembly resolution 55/140 of 8 December 2000.

* A/56/50.

01-40434 (E) 210601 290601

II. Scholarship offers and awards

A. Offering States

5. Over the years, the 53 States Members of the United Nations listed below have offered to make scholarships available for the use of inhabitants of Non-Self-Governing Territories in response to the aforementioned resolutions:

Antigua and Barbuda, Argentina, Australia, Austria, Bahamas, Barbados, Brazil, Bulgaria, Canada, Colombia, Cuba, Cyprus, Czech Republic, Egypt, Finland, Gabon, Germany, Ghana, Greece, Hungary, India, Iran (Islamic Republic of), Ireland, Israel, Italy, Jamaica, Libyan Arab Jamahiriya, Malawi, Malaysia, Malta, Mexico, New Zealand, Norway, Pakistan, Panama, Philippines, Poland, Qatar, Romania, Russian Federation, Singapore, Sri Lanka, Sudan, Syrian Arab Republic, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay and Yugoslavia.

6. Two non-Member States have also offered scholarships:

Holy See and Switzerland.

B. Offers and awards

Member States

Antigua and Barbuda

7. In a note verbale dated 27 March 2001, the Permanent Mission of Antigua and Barbuda to the United Nations informed the Secretary-General, that with reference to the Non-Self-Governing Territories, Antigua and Barbuda had been most directly involved with Montserrat because of proximity and the close relationship that has existed between the people of the two communities. Whereas it was not possible to categorize scholarships per se, Antigua and Barbuda's population had increased by 5 per cent as it had absorbed inhabitants from Montserrat who had been displaced by the volcanic eruption; and had provided for them medical benefits and social services. In the process, Antigua and Barbuda was providing free education to Montserratian students from kindergarten up to the tertiary level.

Argentina

8. In a note verbale dated 9 April 2001, the Permanent Mission of Argentina to the United Nations informed the Secretary-General of the following views of the Government of Argentina:

> "The Malvinas Islands were registered by the United Kingdom as a Non-Self-Governing Territory. This is a consequence of the illegal British occupation of Argentine territory that took place in 1833.
>
> "The United Nations has on many occasions indicated that the colonial dispute between Argentina and the United Kingdom over those territories should be resolved through peaceful negotiation.

"Be that as it may, because the islands form part of Argentina's national territory, its inhabitants — like the rest of the Argentine population — enjoy the benefits of the National Scholarship Programme offered by the Ministry of Education of the Argentine Republic."

Canada

9. In a note verbale dated 21 March 2001, the Permanent Representative of Canada to the United Nations transmitted to the Secretary-General the following information regarding the scholarships offered by the Government of Canada to students from Non-Self-Governing Territories and on the number of candidates to whom scholarships have been granted in the Commonwealth Scholarship and Fellowship Programme:

	Scholars in Canada						*Scholarships granted in March 2000*
Territory	*1995*	*1996*	*1997*	*1998*	*1999*	*2000*[a]	
Anguilla	-	-	1	1	-	-	[b]
Bermuda	2	1	1	-	1	2	[c]
British Virgin Islands	2	-	-	2	2	2	1
Cayman Islands	-	1	1	-	1	2	1
Falkland Islands (Malvinas)	-	-	-	-	-	-	[c]
Gibraltar	-	-	-	-	-	-	-
Montserrat	-	1	1	1	2	1	[c]
Pitcairn	-	-	-	-	-	-	-
Tokelau	-	-	-	-	-	-	-
St. Helena	-	-	-	-	-	-	-
Turks and Caicos Islands	-	-	-	-	-	-	-
	4	**3**	**4**	**4**	**6**	**7**	**2**

[a] Includes, if applicable, scholarships granted in March 2000.
[b] No candidates were selected.
[c] No nominations were submitted.

Colombia

[10. In a note verbale dated 3 May 2001, the Permanent Mission of Colombia to the United Nations informed the Secretary-General that,] in return for the cooperation offered to Colombia by friendly countries and international organizations, the Instituto Colombiano de Crédito Educativo y Estudios Técnicos en el Exterior (ICETEX) [Colombian Institute for Educational Grants and Technical Study Abroad] is offering a reciprocal scholarship programme for foreigners in Colombia, which gives foreign nationals an opportunity to do postgraduate studies in Colombian educational institutions.

11. Under this programme ICETEX has not made it a part of its cooperation to offer grants to professionals from Non-Self-Governing Territories. However, in view of the importance of the request to do so, ICETEX is making available to the United Nations one scholarship for a candidate to be selected from the 17 Territories and submitted for ICETEX consideration before 15 November 2001, for one year of

postgraduate study at a Colombian university beginning in February 2002, and renewable for a second year.

Mexico

12. In a note verbale dated 17 August 2000, the Permanent Representative of Mexico to the United Nations informed the Secretariat that, in conformity with General Assembly resolution 54/86 of 6 December 1999, the Government of Mexico had decided to offer scholarships to nationals of Non-Self-Governing Territories to undertake studies in the Spanish language and Mexican culture aimed at students and teachers for a period of three to six months.

13. The scholarship programme is available to nationals of the following Non-Self-Governing Territories: American Samoa, Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Guam, Montserrat, New Caledonia, Pitcairn Islands, St. Helena, Tokelau, Turks and Caicos Islands and United States Virgin Islands.

14. The scholarships will cover the following expenses: (a) registration fees and tuition; (b) monthly subsistence allowance as determined by the Mexican authorities; (c) installation costs; (d) medical insurance; (e) international transport; and (f) local transport from Mexico City to the academic institution.

15. Scholarship applications should be submitted by the appropriate authorities in the Non-Self-Governing Territories to the Permanent Mission of Mexico to the United Nations.

Norway

16. In a note verbale dated 7 June 2001, the Permanent Mission of Norway to the United Nations informed the Secretariat that the Norwegian Agency for Development Cooperation Fellowship Programme for 2001 and 2002 had offered scholarships to students from Non-Self-Governing Territories. However, no fellowships had been granted in 2001.

Qatar

17. In a note verbale dated 9 May 2001, the Permanent Mission of Qatar to the United Nations informed the Secretary-General that scholarships were made available to the educational associations and centres in Islamic countries that submitted applications for their adherents to study at the Secondary Religious Institute in Qatar.

18. In the past no scholarships had been made available for the Non-Self-Governing Territories indicated. Should any of them seek scholarships for their inhabitants, each application would be considered separately at the appropriate time with a view to the necessary measures being taken in accordance with the relevant regulations.

Non-Member States

Holy See

19. In a note verbale dated 18 April 2001, the Permanent Observer of the Holy See to the United Nations informed the Secretary-General that the Permanent Observer Mission of the Holy See to the United Nations had made scholarships available to 11 inhabitants from American Samoa and to 5 others from East Timor at the Holy See's various pontifical universities in Rome during the course of the present academic year.

III. Applications made through the United Nations

20. In accordance with the procedure established by the General Assembly in its resolution 1696 (XVI), applications for scholarships received by the United Nations Secretariat from inhabitants of Non-Self-Governing Territories are transmitted simultaneously to the offering States for consideration and to the administering Powers for information.

21. Between 31 May 2000 and 4 June 2001, the Secretariat received requests from nine students for information on the availability of scholarships. None of the students were inhabitants of Non-Self-Governing Territories.

Notes

[1] The most recent resolutions adopted by the General Assembly on this question are resolutions 51/142, 52/74, 53/63, 54/86 and 55/140.

[2] For the most recent reports, see A/51/373, A/52/388, A/53/262 and Add.1, A/54/267 and A/55/81 and Add.1.

United Nations A/56/89–E/2001/89

General Assembly
Economic and Social Council

Distr.: General
22 June 2001

Original: English

General Assembly
Fifty-sixth session
Items 21 (e) and 53 of the preliminary list*

Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations including special economic assistance: assistance to the Palestinian people

Question of Palestine

Economic and Social Council
Substantive session of 2001
2-27 July 2001
Item 9 of the provisional agenda**

Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations

Letter dated 19 June 2001 from the Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People addressed to the Secretary-General

I have the honour to draw your attention to the Seminar on Assistance to the Palestinian People, convened by the Committee on the Exercise of the Inalienable Rights of the Palestinian People in accordance with General Assembly resolutions 55/52 and 55/53 of 1 December 2000. The Seminar was held on 20 and 21 February 2001 at the United Nations Office at Vienna.

The purpose of the Seminar was to review the state of the Palestinian economy and to examine efforts under way by Governments and intergovernmental and civil society organizations to alleviate the current humanitarian emergency. The Seminar also aimed at mobilizing greater support for the attainment of the legitimate economic rights of the Palestinian people, thus contributing to the broader peace-building efforts in the region.

The Seminar was attended by donor and other Governments, intergovernmental organizations and entities of the United Nations system, representatives of Palestine, and non-governmental organizations active in the field, as well as experts. The Committee considers that the Seminar was a useful gathering and contributed to intensified international efforts to provide humanitarian assistance, in order to meet the emergency needs of the Palestinian people. It called upon the donors to disburse, on an urgent basis, the necessary funds for addressing the serious fiscal crisis of the Palestinian Authority. It called on the Occupying Power to abide by its obligations under international law and to immediately

* A/56/50.
** E/2001/100.

01-42299 (E) 030701

terminate its measures of collective punishment, which have caused grave loss of life and serious destruction of Palestinian properties, livelihood and infrastructure.

I have the honour to attach, for your information, the report of the Seminar (annexed). I should be grateful if you would have the text of the present letter, together with the report, circulated as a document of the fifty-sixth session of the General Assembly, under items 21 (e) and 53 of the preliminary list, and of the Economic and Social Council, under item 9 of the provisional agenda.

(*Signed*) Ibra Deguène **Ka**
Chairman
Committee on the Exercise of the Inalienable
Rights of the Palestinian People

Annex

Report of the United Nations Seminar on Assistance to the Palestinian People, held at United Nations Office at Vienna on 20 and 21 February 2001

CONTENTS

		Paragraphs	*Page*
I.	Introduction	1-40	3
	A. Organization of the Seminar	1	3
	B. Participation	2-12	3
	C. Agenda	13-14	5
	D. Opening of the Seminar	15-40	5
II.	Summary of the panels	41-81	10
	Panel I. The crisis of 2000-2001: the impact of Israeli policies on the Palestinian economy	41-46	10
	Panel II. The role of United Nations system: assessment and efforts to alleviate hardships	47-58	12
	Panel III. Assistance by Arab and Islamic States and intergovernmental organizations to the Palestinian people	59-64	16
	Panel IV. Efforts by international donors and other sectors of the international community to alleviate the economic hardships of the Palestinian people	65-81	17
III.	Closing session	82-86	24
Annex.	Statement by the delegation of the Committee on the Exercise of the Inalienable Rights of the Palestinian People		25

I. INTRODUCTION

A. Organization of the Seminar

1. The United Nations Seminar on Assistance to the Palestinian People was convened by the Committee on the Exercise of the Inalienable Rights of the Palestinian People in accordance with its mandate to promote international support for and assistance to the Palestinian people.

B. Participation

2. The Seminar was attended by representatives of 73 Governments, Palestine, 4 intergovernmental organizations, 9 United Nations bodies, as well as representatives of 25 non-governmental organizations (NGOs). Thirteen speakers made presentations in four panels.

3. Seminar participants were informed that four official Palestinian speakers of the Seminar and a number of NGO participants from the Occupied Palestinian Territory were unable to travel to Vienna owing to the general closure imposed by Israel. The four speakers were Maher Masri, Minister for Economy and Trade of the Palestinian Authority; Hassan Abu Libdeh, President of the Central Bureau of Statistics of the Palestinian Authority; Mohammad Shtayyeh, Managing Director of the Palestinian Economic Council for Development and Reconstruction; and Ghania Malhis, Director of the Palestine Economic Policy Research Institute. The Committee delegation noted with utmost concern the fact that the participants would be deprived of the first-hand experience of the invited high-ranking officials and their assessment of the economic situation at a time of severe economic crisis and issued a statement denouncing the illegal actions of the Occupying Power (see annex). The Permanent Observer of Palestine to the United Nations (Vienna), Faisal Aweidah, represented Palestine in the framework of the Seminar, and M. Nasser Al-Kidwa, Permanent Observer of Palestine to the United Nations, delivered the keynote address. Maher Masri, Mohammad Shtayyeh and Ghania Malhis submitted papers to the Seminar, which were distributed to the participants. Also, a recent report prepared by the Central Bureau of Statistics of the Palestinian Authority was before the participants.

4. The Committee on the Exercise of the Inalienable Rights of the Palestinian People was represented by a delegation comprising Ibra Deguène Ka (Senegal), Chairman; Bruno Rodríguez Parrilla (Cuba), Vice-Chairman; Walter Balzan (Malta), Rapporteur; André Erdös (Hungary); and M. Nasser Al-Kidwa (Palestine).

5. Invitations to participate in the Seminar were extended to Governments, intergovernmental organizations, organizations and agencies of the United Nations system and non-governmental organizations. A number of experts were invited to make presentations at the Seminar.

6. The following Governments were represented at the Seminar: Afghanistan, Algeria, Angola, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Brazil, Burkina Faso, Cape Verde, China, Colombia, Cuba, Cyprus, Denmark, Ecuador, Egypt, Finland, France, Germany, Greece, Guatemala, Holy See, Hungary, India, Indonesia, Islamic Republic of Iran, Iraq, Ireland, Italy, Japan, Jordan, Kenya, Kuwait, Kyrgyzstan, Lebanon, Luxembourg, Malaysia, Malta, Mexico, Morocco, Namibia, Netherlands, Norway, Oman, Pakistan, Philippines, Poland, Portugal, Republic of Korea, Republic of Moldova, Russian Federation, Saudi Arabia, Slovakia, Slovenia, South Africa, Spain, Sudan, Switzerland, Syrian Arab Republic, Thailand, the former Yugoslav Republic of Macedonia,

Tunisia, Turkey, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, Uruguay, Venezuela, Viet Nam, Yemen and Zimbabwe.

7. The delegation of Palestine took part in the work of the Seminar.

8. The following organizations, agencies and other entities of the United Nations system participated in the Seminar: Office of the United Nations Special Coordinator in the Occupied Territories (UNSCO); Office for the Coordination of Humanitarian Affairs (OCHA); Economic and Social Commission for Western Asia (ESCWA); United Nations Conference on Trade and Development (UNCTAD); United Nations Development Programme (UNDP); United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA); World Health Organization (WHO); United Nations Industrial Development Organization (UNIDO) and International Monetary Fund (IMF).

9. The following intergovernmental organizations were represented at the Seminar: Asian-African Legal Consultative Committee; European Union; League of Arab States (LAS) and Organization of the Islamic Conference (Organization of the Islamic Conference).

10. The delegation of the Sovereign Order of Malta also took part in the work of the Seminar.

11. The following non-governmental organizations participated as observers in the Seminar: Afro-Asian Peoples' Solidarity Organization; Al Mezan Center for Human Rights; All-Africa Students Union; American-Arab Anti-Discrimination Committee; Arab Lawyers Union; Arab Organization for Human Rights; Catholic Committee against Hunger and for Development; Commission of the Churches on International Affairs of the World Council of Churches; Council for the Advancement of Arab-British Understanding; Danish-Palestine Friendship Association; European Coordinating Committee for NGOs on the Question of Palestine, Association Belgo-Palestinienne; Federation for Peace and Conciliation; Gush Shalom; International Development Research Center, Middle East and North Africa Regional Office; International Progress Organization; Middle East Questions Forum; Near East Foundation; Norwegian Association of NGOs for Palestine; Spanish NGO Committee on the Question of Palestine; and Young Women's Christian Association of Jerusalem.

12. The following experts presented papers: Wahid Abdelwahab, Senior Project Officer, Islamic Development Bank (IDB), Jeddah; Abdelaziz Aboughosh, Assistant Secretary-General, OIC, Jeddah; Ziad Asali, Chief Operating Officer, American-Arab Anti-Discrimination Committee, Washington, D.C.; Nader Atta, Programme Management Officer, UNDP Programme of Assistance to the Palestinian People, Jerusalem; Aline Batarseh, Communications Officer, World Vision, Jerusalem; Matthias Burchard, Economic Adviser to the Special Representative of the European Union to the Middle East Peace Process, Brussels; Salam K. Fayyad, Senior Resident Representative, IMF, West Bank and Gaza; Gil Feiler, Executive Director, Info-Prod Research (Middle East) Ltd., Ramat Gan; Franz-Josef Homann-Herimberg, Special Adviser to the Emergency Relief Coordinator, OCHA, United Nations Office at Geneva; Said Kamal, Assistant Secretary-General for Palestine Affairs, LAS, Cairo; Roby Nathanson, Chairman, Israeli Institute for Economic and Social Research, Tel Aviv; Francis Okelo, Deputy Special Coordinator, UNSCO, Gaza; and D. S. Wijewardane, General Counsel, UNRWA, Gaza.

C. Agenda

13. The purpose of the Seminar was to review the state of the Palestinian economy and to examine efforts under way by Governments, intergovernmental and civil society organizations at alleviating the current humanitarian emergency. The Seminar also aimed at mobilizing greater support for the attainment of the legitimate economic rights of the Palestinian people, thus contributing to the broader peace-building efforts in the region.

14. At the opening session and during the course of the four panel discussions, the participants addressed the following issues in depth:

(a) The crisis of 2000-2001: the impact of Israeli policies on the Palestinian economy;

(b) The role of the United Nations system: assessment and efforts to alleviate hardships;

(c) Assistance by Arab and Islamic States and intergovernmental organizations to the Palestinian people;

(d) Efforts by international donors and other sectors of the international community to alleviate the economic hardships of the Palestinian people.

D. Opening of the Seminar

15. At the opening session, a statement was made on behalf of the Secretary-General of the United Nations by his representative, Kieran Prendergast, Under-Secretary-General for Political Affairs. Albert Rohan, Secretary-General of the Austrian Ministry of Foreign Affairs made a statement on behalf of the Foreign Minister, Benita Ferrero-Waldner. Statements were also made by Ibra Deguène Ka, Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, and Faisal Aweidah, Permanent Observer of Palestine to the United Nations (Vienna).

16. In his statement, the Secretary-General expressed concern over the deepening spiral of violence in Israel and the Occupied Palestinian Territory and appealed to all concerned to exercise maximum restraint to prevent further escalation. Although senior Israeli and Palestinian negotiators had made progress on some core issues such as refugees, Jerusalem, borders and security, the dramatic upheavals of the past several months and the tragic loss of life had underlined the urgency of reaching a comprehensive, just and lasting solution to the question of Palestine.

17. The Secretary-General commended the international community for providing, over the years, significant economic assistance to the Palestinian people, resulting in some improvement in living conditions. However, there had been a worrying decline in both new commitments and reimbursements. Events since September 2000 had damaged the Palestinian economy and reversed the economic recovery and progress. Repeated border and internal closures had led to a dramatic deterioration in the living conditions of the Palestinians, whose economy was largely dependent on that of Israel. Border closures and other restrictive measures deprived the Palestinian Authority of necessary financial resources and further aggravated the serious economic and social crisis in the Occupied Territory. Concerned about the capacity of the Palestinian Authority to continue to function, the Secretary-General had raised the matter with Prime Minister-elect Ariel Sharon, as well as other

international leaders, including United States Secretary of State Colin Powell and European Commission President Prodi. He had also instructed his Personal Representative to the Palestine Liberation Organization and the Palestinian Authority, the United Nations Special Coordinator for the Middle East Peace Process, Terje Rød-Larsen, to undertake wide-ranging and urgent consultations with a view to preventing such a destabilizing outcome.

18. The Secretary-General deplored that the current urgent requirement for humanitarian and relief assistance had taken precedence over medium- and long-term development needs. Stressing the United Nations leading role in alleviating the hardships of the Palestinian people, he called for international support to agencies such as UNRWA, UNDP and many others so that they could continue their work in the region, adjusting the focus of their activities as required by the circumstances. Donor assistance was especially vital now. The international community must intensify its efforts to support and assist the Palestinian people, until a comprehensive, just and lasting settlement of the question of Palestine was achieved. The United Nations family would continue to stand by the parties in their efforts to bring peace and stability to the region.

19. The Secretary-General expressed regret that the invited Palestinian speakers, including high-ranking officials of the Palestinian Authority, were unable to come to Vienna, owing to the closures and travel restrictions. That further illustrated the urgent need to normalize the situation.

20. The Secretary-General of the Austrian Ministry of Foreign Affairs said that during the past summer the international community had looked forward to an agreement on the status of the Palestinians but that hope had faded. The priority now was that all violence cease, negotiations resume and that the agreements of Sharm el Sheik be implemented. His Government deplored the provocation that had occurred at Al Haram Al Sharif, the subsequent violence in the territories occupied by Israel and the excessive use of force against Palestinians. The utmost effort was needed to alleviate the pressure on the civilian population. European Union partners were taking urgent measures to that effect. It was in Israel's interest that such aid be given.

21. He said the basic elements of a peaceful settlement remained unchanged and were spelled out in United Nations resolutions and the Madrid and Oslo agreements. Stressing the fundamental role that the United Nations played in the peace process, he paid special tribute to UNRWA, which had provided humanitarian aid and the basis for the development for the Palestinian people under difficult conditions. The computerization of the register of land ownership represented a useful contribution in the perspective of a settlement of the refugee question in accordance with General Assembly resolution 194 (III) of 11 December 1948. The United Nations had a vital part to play in finding a lasting solution. The Secretary-General was personally engaged and his decisive role at Sharm el Sheik had been internationally commended.

22. He continued that Austrian emphasis had shifted to development cooperation. Significant results had been achieved in aid projects, which included constructing low-cost housing, providing access to primary health care for poorer residents in the Old City of Jerusalem, establishing an environmental data bank aimed at the best use of land and water resources to be used by Palestinians for planning purposes, constructing a water desalination plant in the Gaza Strip and medical help to victims of the current violence. An important goal had been to promote cooperation between Austrian and Palestinian institutions.

23. The Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People emphasized that the Palestinian people in the Occupied Palestinian Territory were in serious crisis. The current period of protracted hardship and violence had been disastrous for the Palestinian economy as a whole and for the living standards of individual Palestinians. Jobs and markets in Israel had become inaccessible, tourists had been frightened away by the violence, food crops had been razed and fields were blocked out of reach and armed settlers and Israeli soldiers were attacking unarmed Palestinians with impunity. Palestinians now had to struggle for their survival, rather than work for long-term development and prosperity. Infrastructure had been intentionally destroyed and development projects had to be abandoned or frozen indefinitely. He expressed particular concern over the Bethlehem 2000 project launched in 1997 by the Palestinian Authority to restore many religious and historical sites, rebuild infrastructure and prepare the city of Bethlehem for the millennium celebrations. The recent violence had wiped out many accomplishments, damaged the newly repaired infrastructure of the city and, above all, frightened away pilgrims.

24. He said that the Committee's essential mission was to promote a peaceful settlement of the question of Palestine. The vicissitudes of the peace process, however, were not cause for optimism. Today, the immediate needs of the Palestinians must be the primary concern. The international community had to help them survive the current critical period so that they could eventually return to the road of economic recovery and development. The priority must be to address immediate humanitarian, economic and social problems. The international community must become more aware of the increasing difficulties confronting the Palestinian economy and of the precarious living conditions of thousands of Palestinians. The improvement of living conditions in the Palestinian territory, the establishment of cooperative relationships and business partnerships throughout the region and the promotion of regional development were the only foundations for a peace that would benefit all the peoples of the region, Arab and Israeli.

25. He continued that the Palestinian Authority was still denied control over key resources such as land and water and direct access to external markets. A large share of its budget came from transfers of taxes and custom duties levied by Israel and the Palestinians' economic dependence became even more evident when relations worsened. In recent months, the Palestinian Authority faced increasing problems in administering education, health care and other basic services, in maintaining public law and order and in trying to develop the economy and build Palestinian institutions. It was fortunate that, in all those efforts, the Palestinian Authority had the international donor community at its side.

26. The representative of Palestine, speaking on behalf of the Minister for Economy and Trade of the Palestinian Authority, deplored that the Palestinian delegation coming from the Occupied Palestinian Territory had been prevented from participating in the Seminar. He recalled that the United Nations had sent a commission to investigate the violence. The violence was the occupation of the Palestinian territory for the last 50 years. At the current stage, the violence was beyond anyone's conception. It was not only violence but also state terrorism. He reminded participants that the Prime Minister of Israel had congratulated the Israeli army for assassinating a Palestinian official.

27. He expressed appreciation for the assistance received from donor countries, but added that whatever they had done had been destroyed in the previous six months. Israel had completely reversed international efforts to support Palestinian development. He demanded that the Security Council act seriously and in the same manner that it had acted in Bosnia and Herzegovina and other countries.

The Palestinian people were suffering and not just economically. They were struggling for survival. Describing the actual situation he said that last night, no one slept as all the Palestinian cities were being bombarded.

28. He said if Israel wanted to survive as a nation in the Middle East, it had to agree to peace. Palestinians had accepted that 78 per cent of their territory be given to Israel to become a State. Still they wanted more land. It was the duty of the United Nations as a whole to seriously implement Security Council resolution 242 (1967) of 22 November 1967 for the complete withdrawal of Israel from the territories occupied since 1967.

29. The representative of Malaysia said the international community remained concerned about the systematic breaches of the Fourth Geneva Convention by Israel. His Government deplored all forms of violence and condemned the excessive use of force by Israel and its prohibitions on the movement of goods and people. The United Nations had an important role to play in the implementation of its own resolutions and must continue to support development in the Palestinian territories. UNRWA must be provided with sufficient resources. The United Nations must ensure the inalienable rights of the Palestinian people, primarily their right to self-determination. The Government of Malaysia had established a special fund to help the Palestinian people and had increased its contribution to UNRWA. It had also provided technical assistance in programmes that included educational scholarships and pilot training.

30. The representative of China stressed that the international community should fulfil its responsibility to help the Palestinian Authority to overcome the economic difficulties and improve living conditions. Providing assistance to the Palestinian people would help to relieve their difficult situation and promote peace talks. China, as a permanent member of the Security Council, had consistently supported the Middle East peace process and had been actively involved in mediation with both sides. It had given political and moral support as well as economic assistance and had participated in the rebuilding of the Palestinian self-rule area through bilateral and multilateral channels.

31. The representative of Indonesia said that over the past seven years the Palestinians had shown determination in transforming the Territory into a land of investment and growth. Now more than ever, assistance was needed to overcome the obstacles and difficulties presented by Israel. It was inconceivable that an entire nation could be subjected to such enormous suffering and dislocation. Israel's actions violated numerous international humanitarian laws, including the Fourth Geneva Convention. It was time for Israel to cease its untenable actions. The Palestinians had engaged in painstaking negotiations with the Government of Israel. He commended them for their efforts to attain a just and lasting peace. The United Nations had an essential role to play in the Middle East peace process and the efforts of its agencies in the Middle East must be enhanced.

32. The representative of Turkey said violence only served the interest of the enemies of peace. His Government had approved a contribution to UNRWA, where Turkey was a member of the Working Group for Financing, and had allocated additional funds to help the Palestinian people. It had provided medical assistance to the victims of the recent violence. He hoped the international community would honour its economic and financial commitments to the Palestinians. He supported the establishment of a lasting peace in the area that could only be achieved through constructive negotiations on the basis of relevant United Nations resolutions.

33. The representative of Algeria said his Government supported the United Nations and all of its various organs in their effort to help establish a just and lasting peace in Palestine. Without the exercise of all the legitimate rights of the Palestinian people, including the establishment of its own independent State, there would be no peace in the Middle East. The Palestinians and others were aware of the contributions that the Algerians were making. It was not necessary to be proud of such help as it was a duty. His Government was ready to continue to make its contribution to mitigate the suffering of the Palestinian people.

34. The representative of the Russian Federation said the tragic events of the last months had shown that the financial and other means made available for Palestinian development were to little avail if the underlying roots of the conflict were not being solved. The task of the international community was to speak firmly in favour of the continuation of the peace process. It must do whatever it could to ensure the continuation of the negotiations and to contain the violence. He said that the Russian Federation was ready to make every effort to support the process. It would participate in joint efforts, including with the United States as the other co-sponsor, to reach that goal.

35. The representative of LAS, speaking on behalf of the Secretary-General of the Arab League, said the core of the problem was represented by the negative Israeli attitude towards the achievement of a comprehensive peace and the implementation of signed agreements. To achieve peace and stability, the Palestinian people must be protected and the Israeli crimes against them should be brought before the International Criminal Tribunal. In view of the recent deterioration of the situation, at its Cairo summit the League had assured its support to the Palestinian people in their intifada and had set up two funds; the Intifada al-Quds Fund and the Al-Aqsa Fund. He recalled that the recent meetings of the Arab Economic and Social Council in February 2001 had discussed in detail the economic circumstances of the Palestinian people and their need for assistance. He appealed to States and international organizations to apply economic sanctions against products from Israeli settlements.

36. The representative of Egypt expressed his country's unwavering support for the Palestinian people. He deplored the destruction of the Palestinian economy. His Government would spare no effort to achieve a just and lasting peace for the Palestinian people. He expressed appreciation for the Committee's unrelenting efforts in the cause of the Palestinians. In view of the current situation, greater resources were needed for all levels of Palestinian development. It was the responsibility of all members of the international community to take the necessary measures to achieve that objective.

37. The representative of Morocco said his Government found the situation in which the people in the Palestinian territory lived to be intolerable. It was the task of the international community to bring pressure to bear on Israel so that it ceased to nourish its arrogance and mistrust of others.

38. The representative of the OIC, speaking on behalf of the Secretary-General of OIC, reaffirmed his organization's support for the Palestinian people and their efforts to achieve their inalienable rights. He said the undermining of the infrastructure, the destruction of houses and mosques, sealing of towns and villages and confiscation of tax revenues and customs had caused untold damage to the Palestinian economy. The international community should have intervened and brought an end to those actions and helped the people to overcome the vicious aggression. The principal activities of the Islamic Conference were to support the Palestinian people and their intifada. Two funds had been established to that end. He deplored that the suffering of the Palestinian people was increasing on a daily basis.

At present more than any time before, the international community must stop the Israeli aggression, protect the Palestinian people and insist that the Israeli Government implement the Security Council's resolutions, enabling the Palestinian people to restore their inalienable rights, including their right to return to their land.

39. The Executive Secretary of ESCWA said the report compiled by UNSCO had estimated the loss of the Palestinian economy at $1.5 billion. ESCWA also followed the repercussion of the Israeli occupation on the Palestinians. The last finding for the year 2000 indicated that the occupation had year after year affected the lives and livelihood of Palestinians, severely restricting the growth of the Palestinian community. Land was still being taken over by Israel. Tension and uncertainty aggravated by the restrictions on the movements of goods constituted another factor in the deterioration of the economic situation. Restrictions on access to water constituted a growing health problem. She said that ESCWA was the only United Nations entity where the Palestinians enjoyed full membership. She described the agency's activities and said that meetings, information dissemination, training programmes and publications had been used to raise the different issues of Palestinian development. The annual survey on economic and social development covered the West Bank and Gaza. The causes and effects of inflation and the impact of European partnership were subject for research. The agency was committed to the greater well-being of the Palestinian people and was all the more determined to assist them as they faced greater deterioration in their economy and living situation.

40. The representative of Belarus deeply regretted the absence of the Palestinian speakers, which illustrated the need to bring peace to the Middle East. There was not much ground for optimism, but his Government would continue to support the Palestinian people in their aspirations for dignity, peace, stability and economic prosperity.

II. SUMMARY OF THE PANELS

Panel I
The crisis of 2000-2001: the impact of Israeli policies on the Palestinian economy

41. The first panel, entitled "The crisis of 2000-2001: the impact of Israeli policies on the Palestinian economy", heard a keynote address by Nasser Al-Kidwa, Permanent Observer of Palestine to the United Nations.

42. **Nasser Al-Kidwa** said the fact that he had to speak as a substitute for Maher Masri, Minister for Economy and Trade of the Palestinian Authority, who had been prepared to deliver the keynote address, illustrated the dangerous situation that the Palestinians were facing. He said the current crisis had begun immediately after the start of former Israeli Prime Minister Ehud Barak's tenure. A major issue revolved around the failure by Israel to implement the agreements already reached, in particular the redeployment of Israeli forces in the Occupied Palestinian Territory. Mr. Barak had implemented only those agreements explicitly approved by his predecessor, former Prime Minister Benjamin Netanyahu. The continuation of the settlement policies, including further confiscation of land, was another problem. The combination of those issues with the events of September 2000 and the extreme use of force by the Israelis served to undermine the positive impacts of substantial positions taken by the same Government in the peace negotiations.

43. He deplored that it had not been possible to reach agreement before the recent Israeli elections. The current Prime Minister elect, whose name was linked with the massacres of Sabra and Shatila and synonymous with war, had won with the lowest turnout of voters in Israeli history. He had invited the Labour Party to form a "Unity Government". The Labour Party, however, would only provide a cover for the actions of Mr. Sharon. Given his background and the political positions on which he ran for election, it was impossible to imagine any serious progress in the peace process. The new Government had indicated that the important positions presented by former United States President William Clinton or Prime Minister Barak were no longer on the table. Moreover, Mr. Sharon had stated that he would not negotiate any agreements as long as the violence continued, even though the violence was being perpetrated against the Palestinians.

44. Nasser Al-Kidwa drew attention to the fact that the last few months had witnessed an extremely dangerous pattern of Israeli behaviour, which included the wilful killing of civilians — using sharpshooters even when there were no disturbances or any threat to the Israelis, imposition of collective punishment and bombing and shelling of populated areas and buildings belonging to the Palestinian Authority. Those actions constituted grave breaches of the Fourth Geneva Convention and other instruments of international law and many Security Council and General Assembly resolutions.

45. He continued that, at the economic level, the Israeli authorities had systematically aimed to destroy the Palestinian economy with severe restrictions on the movement of Palestinian goods between the territories themselves, between Israel and the territories, between the territories and Jerusalem and between areas within Gaza. They had destroyed economic facilities such as factories and fields and they withheld revenues from value-added tax and other taxes amounting to a theft of between $50 million and $60 million per month. He outlined actual losses incurred by the Palestinian Authority in the areas of trade and labour, including the destruction of infrastructure that amounted to $1,598 million: a $418 million loss in labour, $52 million loss of tourism and $200 million in agricultural losses. Those costs would mount unless the peace process was re-established and the closure was lifted. The situation called for increasing economic support, but more importantly, emergency support in humanitarian assistance and to meet the running costs of the Palestinian Authority.

46. He went on to say that the international community should take a clear political position to the effect that current Israeli policies would not be tolerated. There had been a 70 per cent positive response to the call for a reconvening of the Conference of the High Contracting Parties of the Geneva Convention. Moreover, the Security Council had to deal once more with the issue of protection of Palestinian civilians, specifically with the establishment of a United Nations observer force. The Council had voted on the establishment of such a force and although there were no negative votes, the resolution did not receive the necessary nine votes. Many of those who had abstained, however, indicated that their problem was that the timing was not right. He thought that next time the resolution would receive the necessary positive votes and he hoped no permanent member would cast a negative vote. He concluded by saying that the Palestinians risked losing everything they had built over the last seven years. Every effort should be exerted to stop that trend and to re-establish the peace process.

Panel II
The role of the United Nations system: assessment and efforts to alleviate hardships

47. The second panel, entitled "The role of the United Nations system: assessment and efforts to alleviate hardships", comprised six presentations by representatives of United Nations system entities.

48. **Francis Okelo**, Deputy United Nations Special Coordinator for the Middle East Peace Process, said the UNSCO mandate was to marshal resources in support of the peace process and to act as the Secretary-General's Personal Representative to the Palestinian Authority and the Palestine Liberation Organization. The Coordinator, Terje Rød-Larsen, had worked relentlessly to help the parties to end the violence and continue the negotiations, encouraging them to reach agreement on at least an outline. There was a new Government in Israel and its policies had still to be spelled out and tested, but he expressed hope that the parties would resume the peace process.

49. In the last four years UNSCO had reported every six months on the state of the Palestinian economy. In the last four months, attention had been focused on the social and economic impact of the violence and restrictions. According to the latest report, covering the period from October 2000 to January 2001, the situation was grim. The economy had suffered losses of over $900 million. The total estimated loss in the last four months arising from restrictions of movement was estimated at 50 per cent of the gross domestic product (GDP) and 75 per cent of wage income earned by Palestinian workers in Israel. The total loss was estimated at $1,150.7 million, equal to 20 per cent of the projected GDP for the year 2000, assuming no border closures. That equalled a loss of about $11 million per working day. In addition, there had been considerable damage to public buildings and infrastructure, private property and agricultural land, costs for caring for the more than 11,000 injured Palestinians and in public revenue losses resulting from the closures. He went on to say that there were other losses that could not be quantified. The consequences of the loss of life were incalculable. Since the beginning of the crisis, there had been a 50 per cent rise in the number of people living below the poverty line, bringing the poverty rate up to 32 per cent, from 21 per cent previously. In times when the closures were slightly eased, there had been a decline in unemployment, but the latest average unemployment rate was 38 per cent, as compared with 11 per cent in the first nine months of 2000. Given the high dependency ratio in the Palestinian Territory, that level of unemployment affected the incomes of over 900,000 people.

50. When the crisis began, a task force of United Nations agencies, non-governmental organizations and the donor community had been brought together to address the emergency medical needs of the Palestinians and had raised $12 million. Another area of assistance was the coordination of donor assistance to the Palestinian Territory, bringing together donors, United Nations agencies and other interested parties. Mr. Okelo warned that security could not be built on uncertainty and peace could not be built on anger. The Special Coordinator had met with Palestinian and Israeli leaders. He had stressed that the Israeli closure policy was counterproductive and had to be rescinded. The crisis was real and threatened the existence of the Palestinian Authority. The situation in the West Bank and the Gaza Strip was volatile. There was a risk of greater violence, which could only produce a "lose-lose" situation. The international donor community should realize that the point had been reached where emergency relief and humanitarian assistance should be provided to the Palestinian people.

51. **Dayendra Sena Wijewardane**, General Counsel at UNRWA in Gaza, indicated that, as at 16 February 2001, 335 Palestinians had died as a result of the violence since late September 2000. Of those killed, an estimated 42 per cent were UNRWA-registered refugees. He highlighted two issues that affected the Agency's ability to fulfil its mandate properly: its financial situation and the restrictions placed on its ability to move its human and material resources to the refugees in need. Through UNRWA, the United Nations discharged part of its responsibility with regard to the Palestinian question. Its strength was that it was a pragmatic, action-oriented agency, with flexibility and ability to adjust to changing circumstances. It provided assistance to refugees in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and Gaza Strip. Its education programme covered general education, teacher training and vocational and technical education, with an additional scholarship subprogramme. Its health care programme remained focused on comprehensive primary health care. Its relief and social services programme supported those Palestinian refugees who suffered the most and promoted self-reliance. Over time it had added other programmes, such as income-generation. Assistance was delivered through some 900 facilities, including over 420 schools and over 120 medical clinics. It employed some 22,000 staff to carry out its humanitarian work. It was financed almost entirely by voluntary contributions from Governments and continued to face a precarious situation, which had been exacerbated by the ongoing violence. In the West Bank, demand for medical supplies and drugs had increased dramatically in recent months. Moreover, the population was increasing by 5 per cent a year.

52. Mr. Wijewardane stressed that since the beginning of October 2000 all entrance/exit points to the Gaza Strip and the West Bank had been closed. The main economic impact was the loss of income and the restriction of the flow of commodities into and out of the Territory. There had been an almost total loss of the flow of Palestinian labour into and out of Israel, a large percentage of which were refugees. UNRWA was attempting to assist the most vulnerable. On 4 October 2000 it had launched a flash appeal for $4.8 million. That target had been fully met. In November another appeal had been launched for a much larger sum, $39.3 million, which was to be followed by yet another appeal. He hoped they would be met with the same positive response.

53. He deplored the fact that Israeli measures implemented as a result of the disturbances that started in September 2000 had placed extreme restrictions on the Agency. The Israelis authorities had decreed that all commercial trucks and trailers must cross through a specific crossing point, which UNRWA also had to use, and pay charges, as well as comply with difficult haulage procedures. Moreover, because of lengthy delays, the Agency's cargo built up at the port, with commensurate charges levied on a daily basis. The security procedures also held up the flow of essential aid to the Palestinian people. Instead of facilitating the Agency's operations, the Israelis had impeded them, which contributed significantly to the financial crisis. He concluded that despite its precarious financial situation and the restrictions on movement, UNRWA continued to be a major factor of stability in the area.

54. **Franz-Josef Homann-Herimberg**, Special Adviser at OCHA, said coordinated planning and response was a critical element of the Office's activities. Where there was a clear humanitarian need for which there was no existing agency, an ad hoc group would be established. One such group was attempting to deal with emergency job creation in the Occupied Palestinian Territory. In that respect, OCHA had initially focused on emergency planning and the creation of a database, since an effective humanitarian response required an enhanced capacity to analyse the problem so as to identify what was needed and how it could be delivered. Another aspect of the Office's work was to target and monitor

humanitarian and socio-economic conditions. Examples included the impact of the emergency situation on things as varied as households and municipal budgets, the scope and effect of non-official development assistance and the impact of permanently reduced flows of Palestinian labour to Israel. The locales to be targeted initially would be those most affected by the current crisis. Information and analysis would enrich the data collection for the database. He deplored that the movement of humanitarian personnel and commodities had been severely restricted. The West Bank had represented a particularly complex issue and there was a need for monitoring and a more accurate collection of information. A more coordinated approach to addressing the situation in the territories would help in responding to the current crisis and building a stable platform for the future.

55. **Nader Atta**, Programme Management Officer at the UNDP Programme of Assistance to the Palestinian People, pointed out that the Programme was not the usual UNDP office. It had implemented 300 projects over a 21-year span and had a multisectoral focus. It had a quick delivery system in normal and emergency situations and had currently distributed over 90 per cent of the funds received. It was trusted by donor countries as an implementing agency. Japan was by far the largest donor, followed by Norway, the European Union and the United States. The operating requirements of the unit were flexible and it could adapt its rules and regulations according to the situation on the ground. It was fully independent within the framework of authority delegated to it by headquarters. Referring to the ongoing crisis situation in the Occupied Palestinian Territory, he said the blockades and closures were preventing any movement. During a slide presentation he showed Israeli checkpoints that blocked traffic and prevented goods from being transported. The Programme of Assistance was trying to maintain its activities despite the constraints. It was developing emergency response programmes on health, education, emergency employment-generation and agricultural employment, for which donor money as well as UNDP core resources were being used. UNDP was talking with potential donors. The situation was extremely dire. While agency personnel could move around, they were often prevented from getting to places where they were needed. He warned that the international community needed to act swiftly to prevent a collapse of the Palestinian Authority.

56. **Salam Fayyad**, Senior Resident Representative of IMF in the West Bank and Gaza, said it had been envisaged early on that the Palestinian Authority would not have sufficient resources to carry out the establishment of its administration. Governments had transferred funds to support its budget, but the Authority was still in a difficult fiscal situation. As a consequence of the situation on the ground, nearly half of the people had lost their major source of income. During a typical closure month, there could be a loss of $45 million. The Government of Israel had transferred money in November and December 2000, but had made no transfer of owed revenues to the since 20 December 2000. Assuming that the Authority would eventually receive that money, it would still be in great difficulty to pay its monthly wage bill of $55 million, as its revenue-generating capacity had declined substantially. Even if it could collect money due from Israel it could not pay its wages. If the situation were to normalize tomorrow, the Palestinian Authority would need an infusion of about $40 million a month for the next six months. Budgetary assistance was not normally popular with the donor community, but it was impossible for the Palestinian Authority to generate the required funds on its own. It was critical to address the fiscal crisis. He emphasized that another area to be addressed was the need for emergency job creation. Implementation of development projects was impossible. Perhaps donors could reorient their commitments to relieve the fiscal situation. The Palestinian Authority could repay those funds when the situation normalized, when it could generate $90 million a month on its own.

57. Speaking from the floor, **Giuseppe Masala**, WHO Coordinator in the Occupied Palestinian Territory, said the conflict in the region was taking an increasing toll on health, not only with regard to the high level of injury and psychological trauma, but also in undermining the newborn referral system that had begun to develop. Hospitals and health facilities had been overwhelmed by the sudden burden of patients. Medical vehicles had been damaged and put out of action. The ongoing military activities and the closure of borders restricted the movement of health personnel and patients. Cities and territories, which had developed a working referral system, were cut off from each other and from their rural areas. He said the health system was also being indirectly affected by the economic losses suffered, which in the first three weeks of the clashes were reported to have exceeded the total value of donor disbursements to the Palestinian Authority in the first half of the year 2000. The Palestinian Authority's Ministry of Health had only recently taken responsibility for the health care of Palestinians. The current situation was jeopardizing years of effort and risked activating unsustainable duplication of services and facilities. At the same time, public services had begun to deteriorate, both increasing the risk of disease outbreaks and undermining the ability to maintain early warning surveillance activities. Mr. Masala highlighted some of the initiatives carried out by WHO in the past years that included the Essential Drug Programme and preparation of the National Drug Formulary, brucellosis control and food safety, protection of springs and wells and surveillance of quality of drinking water. Also included were rehabilitation of the primary health care network and programmes for rehabilitation, immunization and polio eradication. Since the current crisis, WHO was involved in the purchase, shipment, clearance, distribution and delivery of emergency traumatological kits, medicines, medical supply and equipment. A crucial issue was that of accessibility, which was tackled with humanitarian convoys pooling together the strengths of United Nations entities, donor countries, international and local NGOs and the Palestinian Authority. He said the Ministry of Health faced a number of challenges: existing services were overloaded by excessive demand for emergency medical care; emergency medical services and ambulance staff were working overtime. Training was needed for new personnel or refresher courses for current staff; there was an acute shortage of stock, demanding greater efficiency and targeting the most needy; and there was a need for better management of donations. WHO, provided it was granted the appropriate resources, was ready to support the Palestinian Authority's Ministry of Health in establishing emergency preparedness and planning units to prepare for the future health system development plan.

58. A paper prepared by **Raja Khalidi**, Coordinator of Assistance to the Palestinian People in the Division on Globalization and Development Strategies of UNCTAD, was circulated to seminar participants, owing to pressing time constraints. In the paper, UNCTAD pointed to the unprecedented deterioration in all sectors of the Palestinian economy and stated that, in a matter of months, the discussion had turned from hopeful prospects for development and cooperation to a gloomy assessment of crisis, hardship and separation. More than ever, the Palestinian economy was affected by the impact of protracted occupation, as demonstrated by an impoverished economy, an inadequate infrastructure and a weak industrial base. Tentative achievements in building credible public institutions, an effective public finance system and a private sector capable of mobilizing the resources for sustaining growth were now seriously threatened with reversal. UNCTAD was pointing to the necessity of reorienting the Palestinian economy towards integration with regional and global markets. Relations with the Israeli economy should be more balanced and mutually beneficial. Integration of the Palestinian economy with neighbouring Jordan and Egypt was a priority. Integration efforts should focus on coordination and harmonization of monetary and fiscal policies, as well as infrastructure, trade and industrial development projects, and formulation of regulations governing economic transactions within the region. UNCTAD remained committed to setting the stage for sustained economic development of the

Palestinian economy and would continue its programme of commercial diplomacy training and trade policy advisory services.

Panel III
Assistance by Arab and Islamic States and intergovernmental organizations to the Palestinian people

59. The third panel, entitled "Assistance by Arab and Islamic States and intergovernmental organizations to the Palestinian people", comprised three presentations by representatives of Islamic and Arab institutions.

60. **Said Kamal**, Under-Secretary-General and Head of the Palestine Affairs Department of LAS said the core of the problem was Israel's continued prevarication and evasion of implementing signed agreements. LAS, which traditionally concentrated on political aspects, had turned its attention to economic development and reconstruction in the Palestinian Territories since September 1994. A department had been set up to undertake development, reconstruction and assistance to the Palestinian people. In view of the recent deterioration of the situation, at its Cairo summit in October 2000, the League had assured the Palestinian people of its support for the intifada. The Arab leaders decided to set up two funds: the Intifada Al-Quds Fund, with a capital endowment of $200 million, was allocated to support families of the intifada martyrs, finance the education of their sons and heal the injured. The second fund, the Al-Aqsa Fund, had been established with a projected capital of $800 million, to be allocated to finance projects protecting the Islamic and Arab identity of Jerusalem and enabling the Palestinian people to develop its own economy and overcome the blockade and isolation imposed by the Israeli authorities. The Arab Ministers of Finance met in Cairo in November 2000 to establish a mechanism for the two funds. A number of Arab countries had announced their contributions and several States had transferred the total or part of their contribution to the IDB in Jeddah. Mr. Kamal described the declarations and payments of contributions by Arab States. He also pointed out that there had been significant contributions from the Arab private sector. The Bank had proposed a number of projects and programmes to the Administrative Committee of the two funds. In response to a question, he said the money was under the umbrella of the LAS but it did not control its disbursal.

61. He recalled that the February 2001 session of the Arab Economic and Social Council had discussed in detail the economic circumstances of the Palestinian people and their need for assistance. The Council had called for more support to ease the critical situation in the Palestinian territories. Arab leaders had decided to take measures to help the Palestinian economy and to help it to survive in the face of the Israeli restrictive policies. That would be achieved by allowing Palestinian goods and products to enter the Arab countries and exempting them from customs and other duties, in addition to accrediting Palestinian certificates of origin and discussing ways of eliminating Israeli impediments to the free flow of Palestinian goods and products.

62. **Abdelaziz Aboughosh**, Assistant Secretary-General of the OIC, reaffirmed his organization's position to coordinate with the respective international and regional organizations efforts to achieve a just and comprehensive peace in the Middle East. In his assessment, the failure of resolving the final status issues and the subsequent Israeli criminal aggression against the Palestinian people caused the current crisis. The international community should have intervened to bring to an end that brutal aggression and help the Palestinian people regain its national rights, including the right to political and

economic independence under a Palestinian State with Holy Al-Quds (Jerusalem) as its capital. The principal activities of OIC were to support the Palestinian people and their intifada. Two funds totalling $1 billion had been established. Official and private Islamic institutions had made contributions, such as providing medicine and financial help to the families of the martyrs. Institutions affiliated with OIC, such as the IDB, had made decisions to support the Palestinian economy, providing for facilitated entry of Palestinian goods to Islamic States' markets and their exemption from tax.

63. He pointed to the vast popular support extended by the people in all parts of the Islamic world. Millions had taken to the streets to demonstrate their support to the Palestinian people and the intifada. The media in Islamic States also played an important role in informing their constituencies about the Israeli brutality, which increased the suffering of the Palestinian people day by day. In conclusion he called upon the international community to live up to its responsibility and to accelerate assistance to the failing Palestinian economy. It should adopt the necessary measures to stop the Israeli aggression, protect the Palestinian people and insist that the Israeli Government implement Security Council resolutions 242 (1967) and 338 (1973) of 22 October 1973, as well as General Assembly resolution 194 (III) of 11 December 1948 on the right to return.

64. **Walid Abdewahab**, Senior Project Officer at IDB, informed participants about action taken by the Bank to put into operation the Al-Aqsa Fund and the Intifada Al-Quds Fund as established by the Arab Summit at its meeting in Cairo in October 2000. IDB had been requested to administer the funds and had developed respective operational policies and guidelines. It had prepared five emergency programmes aimed at assisting the families of the martyrs, treatment and rehabilitation of the injured and disabled and provision of emergency medical equipment and supplies, totalling $7.5 million. Furthermore, IDB had developed in consultation with the Palestinian Authority seven programmes and projects aimed at job creation, rehabilitation and rebuilding of damaged buildings and properties, rehabilitation of damaged agricultural lands and assets, provision of medical equipment, micro-financing and others. Funds in the amount of $37.5 million had been allocated to those projects. Six other projects had been prepared aimed at job creation, integrated agricultural development, provision of equipment and training for the Gaza Civil Defence Department and provision of medical equipment to hospitals, totalling $45 million. In all, IDB would have processed approximately $90 million within 100 days of the establishment of the Funds. Without losing the focus on long-term sustainable development, the projects and programmes approved and to be approved by the Funds Management Committee included mostly labour-intensive projects with a quick implementation mechanism through the adoption of flexible/relaxed procurement and disbursement procedures. On the fiscal side, the transfer of funds to the Palestinian Authority by IDB from the resources of the two funds was not a feasible option, because it would require modifying the mandate given to IDB by the Arab Summit.

Panel IV
Efforts by international donors and other sectors of the international community to alleviate the economic hardships of the Palestinian people

65. The fourth panel, entitled "Efforts by international donors and other sectors of the international community to alleviate the economic hardships of the Palestinian people", comprised five expert presentations as well as several interventions from the floor.

66. **Roby Nathanson**, Chairman of the Israeli Institute for Economic and Social Research in Tel Aviv, said he did not have any easy solutions to the tension in the area. Peace was inevitable, but the price to be paid until it arrived would determine its quality. To minimize the cost of achieving peace for both sides, economic steps must be taken not as ends but as means. Israel and the Palestinian Authority had a basis for cooperation that was awaiting exploitation once the political obstacles had been removed. Because of the restrictions on local and cross-border economic activity in recent months, the Palestinian economy had more or less stalled. Israel's economy had also been affected. In the last quarter of the year 2000, growth in Israel fell by almost 10 per cent, with a decline in construction, tourism and local and foreign investment. Israel's economic ties with its trading partners had also showed some decline.

67. Mr. Nathanson proceeded to review three possible scenarios for the future: the first was total separation, involving the establishment of hermetic borders between Israel and the Palestinian Territory. Palestinian income would decline dramatically and Israel would be forced to import greater numbers of wage earners from foreign countries. Israel's dwindling export surplus to the West Bank and the Gaza Strip would plummet, causing an additional decline in the gross national product (GNP) for both parties. The cost involved made that scenario inoperable, all the more so if one took into account the high cost of constructing a hermetic border, which could rise to $2 billion. A second scenario would entail maintaining the status quo with some modifications. It reflected current prospects for a long, drawn-out interim period until the tension subsided and an interim peace agreement, at the very least, was signed. That scenario linked the future of economic relations directly to a political solution and appeared the most probable at that time. In his view, the preferred long-term scenario would be a third one, that of regional cooperation. Arrangements in other parts of the world, where institutionalized cross-border markets had been created after centuries of conflict, served as important precedents and also showed how bottom-up initiatives could provide a basis for establishing cooperation at higher levels. "People-to-people" and "business-to-business" projects would offer options for solving a range of economic problems and easing unemployment relatively quickly. Some form of economic cooperation could be established that would be partially independent of the political solutions on the national level. He expressed doubts that whatever was expected to follow in the wake of Oslo could be realized in the time frame envisaged. Economic outcomes anticipated by many Israelis were to some degree delusions. For its part, the Palestinian leadership should understand that the economic price the Palestinians were paying for their political agenda was so severe that they would have to answer to their own people sooner or later. There must be acceptance that the two economies were integrated and that neither was independent of the other. The most critical problem was unemployment, which could only be relieved by creating jobs, first and foremost in the Palestinian areas. Freedom of movement was among the most important incentives for reawakening local economic activity and cross-border cooperation, therefore the policy of border closures and internal blockages should cease. At the same time, much had to be done on the Palestinian side to restore confidence. Boycotting Israeli products might be neither efficient nor constructive for either side. To solve unemployment, the Palestinians had to turn to institutional bodies, major corporations or Governments, in Israel and abroad, with requests to develop operable programmes of capital investment in the Occupied Palestinian Territory, while at the same time a greater number of permits for work in Israel should be issued. In the longer or medium term, foreign markets must become more accessible to Palestinian exports, in particular agricultural products.

68. In conclusion, Mr. Nathanson said a Palestinian State was the necessary response to many of the economic problems besetting both the Palestinians and Israel. Many Israeli economists and

politicians shared his view that there was no alternative for either party. Of course, for regional cooperation and development to progress, a structure of formal cross-border institutions and arrangements was required. Cooperation between the two sovereign States was the only way to guarantee individual and national well-being. Responding to questions and comments, Mr. Nathanson said that economic cooperation needed peace and peace needed economic cooperation. He agreed that after the Oslo agreements there had been the delusion that one could proceed with economic cooperation before there was a final settlement to the conflict. It was his understanding that the exercise was to try and see what could be done in the meantime. Israel had a role to play and there was no other way but to work it out together with the Palestinians. It was not the usual kind of colonialism but a relation between two peoples whose destiny was to live together.

69. **Matthias Burchard**, Economic Adviser to the Special Representative of the European Union to the Middle East Peace Process, emphasized that the Palestinian economy was on the verge of collapse and the administration was finding it increasingly difficult to deliver services. What had been achieved since 1993, with the support of the international community, was threatened with destruction. There was severe humanitarian hardship. Most worrying was the cost of violence in terms of dead and wounded on both sides. There must be an end to the violence, a return to the negotiating table and achievement of a just and lasting peace, in which both sides would feel their legitimate concerns and aspirations had been met. He said domestic economic activity in the Occupied Palestinian Territory was down 50 per cent and potential tax revenue was reduced by 44 per cent. The GNP was estimated to have dropped by 30 per cent and daily losses equalled 12 million euros. Imports from third countries had fallen to 15 per cent of the pre-intifada level and tourism had come to a standstill. Most worrying, however, was the present budget gap, which, even if Israel resumed its transfers, would amount to 44 million euros per month; the high unemployment, estimated at close to 45 per cent; and disrupted government-constituency relations and increased inability of the Palestinian Authority to deliver basic services, which led to the erosion of its authority and the emergence of new self-governing substructures.

70. Immediate needs had to be addressed urgently and decisively in order to avoid an economic and humanitarian disaster. To have the desired effect, financial assistance should be complemented by political efforts. The assumption was that in the near future restrictions on the Palestinians would continue. The preferred option would be that Palestinians and Israelis returned to a situation in which they shared common economic interests and appreciated the economic advantages they could offer each other. Until that time, however, any strategy needed to look at how the dependence of the Palestinian economy on the Israeli one could be reduced and diversified. A strategy of diversification would have to address issues in the political, institutional and economic spheres. In the political sphere, a meaningful recovery would require lifting the internal closure; resuming timely revenue transfers to the Palestinian Authority from Israel; full Palestinian customs control at border crossings with Jordan and Egypt; reasonable Israeli security checks at those borders; point-to-point movement of goods (one truck, one check); and infrastructure facilities like cargo and cool storage at borders. In the institutional sphere, the Palestinian administration would have to embark on a meaningful reform in order to avoid further deterioration. Based on the results of a recent evaluation financed by the European Union and conducted by the United States Council on Foreign Relations, Chairman Arafat committed himself to reinvigorating his administration, but the recent violence had stopped progress in that direction.

71. Turning to the economic sphere, Mr. Burchard said that although the natural ally of the Palestinian economy was the Israeli market, the continuing restrictions made it necessary to develop alternative trade routes and diversify away from high-cost products to low-cost ones. The Palestinians already enjoyed the freedom to import restricted goods from Arab countries at their own preferential custom rates. LAS had promised to grant the Palestinian Authority duty-free access to its markets. Israeli exports to the Palestinian Authority were worth some $2.5 billion, whereas the Palestinians sold to Israel about $500 million worth of goods. Diversifying out of such dependence was a long-term process, but it would lessen the impact of crises. Discussions on such a strategy should be led by the Palestinians themselves. He pointed out that the European Union had contributed significant funds in aid to the Palestinians and had made considerable efforts to promote the implementation of bilateral agreements, such as the Paris Economic Protocol. It had conveyed its concern about the economic situation to Israel. Donors could not be expected to pick up the bill time after time and see the fruits of their taxpayers' money being destroyed through repeated political disasters. Both parties needed to consider that that generosity could not be taken for granted indefinitely.

72. **Ziad Asali**, Chief Operating Officer of the American-Arab Anti-Discrimination Committee, focused on the role of the United States Government in providing aid to both the Israelis and the Palestinians and its effect on events in the region. He said that the US assistance to Israel was usually estimated at $3 billion per year — $1.2 billion in economic aid and $1.8 billion in military aid. The actual total, however, could be as high as $5.5 billion, as much of the aid was buried in the budgets of government agencies, mostly the Department of Defence, or was allotted in a form that was not easily quantifiable. A recent report estimated that cumulative aid to Israel from 1949 through 2001 was $91.36 billion. In addition, the United States underwrote billions of dollars of loans in the form of guarantees on Israeli borrowing. The United States routinely waived all Israeli loans that came due, thus effectively turning them into grants. US aid to the Palestinian Authority, on the other hand, ran at about $100 million per year since the mid-1990s, with the sum total over the past seven years equalling about $600 million. Unlike economic aid to Israel, which was given directly in cash without requiring accounting of how it was used, aid to the Palestinian Authority was strictly controlled by the United States Agency for International Development and specified for particular programmes. In contrast to the relatively unconditional aid to Israel, there had been many attempts to create additional policy conditions and restrictions on US aid to the Palestinian Authority. The Wye Agreement demonstrated the disparities involved: all of the $400 million promised to the Palestinian Authority in the agreement was for economic aid, whereas all of the $1.2 billion for Israel was for specific military projects. Israel's aggressive response to the uprising, its use of excessive force and its disregard for the findings of the Security Council and the Commission on Human Rights, could be seen as based on the massive economic and military aid it received from the United States. In recent decades, especially under the Clinton Administration, that aid was granted and increased, irrespective of Israel's behaviour, giving it a sense of impunity and disregard for international law.

73. Mr. Asali went on to say that US military aid played a substantial part in the mechanics of Israeli repression in the Occupied Palestinian Territory. The military hardware Israel received was used against Palestinian civilians, even though US law required that such weapons could only be used in self-defence. Israel's use of US-made and -derived helicopters and ammunitions in its policy of extrajudicial executions also directly contradicted US law. At the same time, the United States had used what little aid Palestinians received as leverage on behaviour, which did not challenge Israeli policies and ambitions. Israel's use of economic warfare against Palestinians and the failure of the international community, including the Arab States, to adequately meet the challenge of those Israeli

policies had led to a situation in which the Palestinian Authority found itself on the brink of bankruptcy. Such circumstances, Mr. Asali concluded, only increased the effect of the disparity in US aid to the two parties in perpetuating an unequal relationship and creating conditions that seriously complicated the achievement of a just and lasting settlement to the conflict.

74. **Gil Feiler**, Executive Director of Info-Prod Research (Middle East), pointed out that it was not in Israel's interest to have a poor neighbour. A well-developed Palestinian economy would be better for Israeli security and economy. There was no alternative to economic cooperation or relations between Israel and the Palestinian Authority. Israeli exports to the Occupied Palestinian Territory equalled over $2 billion per year, second only to its exports to the United States. The Palestinian exports to Israel constituted 95 per cent of its total exports of $500 million. In the current situation, Israelis flocked to neighbouring Arab countries to purchase goods. Prior to the intifada, the largest group of people interested in investing in the Palestinian Territory were Israelis. The Palestinian Authority would not allow Palestinian entrepreneurs to engage in joint ventures with Israelis, although the Palestinian Authority itself was involved in joint ventures with large Israeli companies and jointly owned with them large cement and petrol monopolies. Since Jordan had given clear signs that Israeli businessmen could engage in joint ventures in Jordan, most of the Israeli businessmen went to that country. As a result, 7,000 Jordanian families enjoyed the fruits of joint ventures with Israel. He said that a recent study indicated that Israelis no longer intended to invest in Palestinian businesses.

75. He continued that, for the Palestinians, several major sources of income had been lost, including income from jobs, from trade in areas where Israelis shopped at the weekend and owing to the non-transfer of taxes. Also, unemployment was rising because of lack of raw materials. It was not certain that the Palestinian Authority would be able to collect taxes itself, as Palestinians hardly paid taxes. In that area, Israel was doing the Palestinians a service. Other losses stemmed from lack of income from the casino and from tourism. Hundreds of thousands of legal and illegal workers had taken the place of Palestinians who used to work in Israel, creating a problem for both parties. From the Israeli perspective, it was better to have Palestinians who came to work in the morning and returned home in the evening. He also said that Palestinians owed large debts to Israeli businesses and some businessmen had asked the Israeli Government to deduct payments from the taxes due to the Palestinian Authority. Boycotting Israeli products would be counterproductive. He noted that the boycott was extended to anyone who cooperated with Israel. He said drastic measures should be taken. Full peace between Israel and its neighbours was important for Israel. He called on participants to imagine a meeting between Messrs. Arafat and Sharon, in which they would say clearly that they supported joint ventures. That would create trust, not only for Israelis but also for the international community. International donors should create a fund to support joint ventures.

76. **Aline Batarseh**, Communications Officer with World Vision in Jerusalem, said her organization was a member of the Association of International Development Agencies, a group of over 40 international non-governmental organizations (INGOs) working with Palestinian communities. Since the eruption of violence following Ariel Sharon's provocative visit to the Al-Haram al-Sharif, INGOs had attempted to address the emergency needs of Palestinians in East Jerusalem, the West Bank and Gaza Strip. Closures were a symptom of 34 years of Israeli military occupation and the need for an INGO presence in the Occupied Palestinian Territory was a result of Israeli discriminatory policies, which prevented Palestinian areas from being fully developed. The economic impact of closures had been devastating, stopping or severely restricting access to nearby towns and villages, medical services, goods and workplaces. The West Bank now had an estimated poverty rate of 30 per cent, compared

with 21 per cent in the absence of closures. Closures created a need for employment, psychological programmes for children and caregivers, medical supplies and food commodities. Ms. Batarseh said that most of the jobless had been poor before the recent crisis. International organizations had been considering the pursuit of funds for job creation programmes. She reviewed the efforts of some INGOs, stressing that job creation was a stepping stone to establishing lasting programmes. Other areas included aid to children and medical aid. During the first three months of the intifada, most INGOs had provided much-needed medicines and medical supplies as hospitals and clinics were unable to maintain adequate stocks. They had also provided food, as there was concern that the closures could lead to a shortage of food supplies, especially for the vulnerable poor. World Vision had provided basic food supplies to approximately 3,600 desperate families in the West Bank. Currently, INGOs were assessing the risk of food insecurity among the communities most affected by the violence. Unfortunately, most of them were not able to carry out new food distribution programmes.

77. Ms. Batarseh affirmed that humanitarian aid delivery had been hindered by Israeli restrictions and noted that on five occasions the Israeli military had prevented World Vision from transferring much-needed medical supplies to Gaza. Even though international organizations attempted to assist Palestinians through development projects, Israel's policies and violations of international humanitarian law hampered their work and efforts to carry out sustainable long-term projects. For instance, World Vision's work in three West Bethlehem villages had been hampered numerous times because of Israel's policies of land confiscation, whereby the villages had lost over 50 per cent of their lands to the construction of an illegal settlement. If the Israeli Government did not comply with international laws and put an end to the occupation, attempts by INGOs to help Palestinians retain their livelihood would be in vain. She recommended that INGOs concentrate on long-term versus short-term alleviation of economic, social and political hardship. Existing programmes should be flexible to incorporate methods of alleviating the suffering of those who were most affected by the current crisis. Attempts to alleviate the economic hardship of the Palestinians should be joined with advocacy efforts on their behalf. The international community should find a way of challenging the primary source of the Palestinian's misery, the Israeli occupation.

78. **Martin Wilkens**, Minister at the Permanent Mission of Sweden to the United Nations (Vienna), spoke on behalf of the European Union. He said that the situation in the Occupied Palestinian Territory was a cause for great concern and worry to the European Union. Owing to the closures and the related imposition of fees for goods clearances and restrictions on the freedom of movement, the humanitarian actors faced time-consuming and costly obstacles to the transport of relief goods and personnel to those in need of assistance. He stressed that this situation was not acceptable and, on behalf of the Union, once again urged the Israeli Government to facilitate access for the humanitarian actors, so that they could continue to assist the Palestinian population unhindered and in accordance with humanitarian principles. Reviewing the contributions of the European Union to the Palestinians, he said that in the period 1994-2000 they had totalled $3.3 billion, including contributions to the UNRWA. The main fields of support were education, human rights, health, institution-building, water, infrastructure and the environment. Most of the support was channelled through the Palestinian Authority, but funds were also provided to Palestinian, Israeli and joint Palestinian-Israeli NGOs. In the recent economic and fiscal crisis, caused by the Israeli closures and withholding of tax and customs revenue, the European Union had supported the Palestinian Authority with cash facilities on a temporary basis. The European Union assumed that further support would be necessary and urged other donors to increase their contributions to help meet the severe challenges facing the Palestinian economy. A discussion of the long-term perspectives of the budgetary and institutional crisis was necessary. The European Union

would explore how best to mobilize and improve donor coordination. It supported the convening of an ad hoc liaison committee meeting within the next few months, with the active participation of the Palestinian Authority and the United Nations. To have a coherent donor response, the Palestinian Authority should provide coordinated and correct financial information as a basis for donor deliberations. Expressing support for UNRWA, he urged donors to come forward to ensure a sound and sustainable financial basis for the Agency.

79. Mr. Wilkens pointed out that the seriousness of the current situation required political action by the European Union and other actors. The Union had requested Israel to end the collective punishment against the Palestinians, lift the closures, ensure unrestricted humanitarian access, lift restrictions on clearance of goods for humanitarian and development assistance and fulfil obligations to the Palestinian Authority with respect to value added tax and customs clearance payments. The current economic crisis was unacceptable and threatened the stability of the region, the prospects for peace and Israel's own security. Both parties had a duty to minimize the tension between them. Improving the economic situation in the Occupied Palestinian Territory was an important element in that effort. The European Union condemned those, on both sides, who incited and resorted to violence.

80. **Pierre Galand**, Chairman of the European Coordinating Committee for Non-Governmental Organizations on the Question of Palestine, said NGOs had worked in particular to protect the human rights of the Palestinian people. Europe must become more active and live up to its responsibilities in the Middle East, in particular as regards the protection of the Palestinian people. He referred to a recent visit to the Occupied Territory and described how the bulldozers created barriers around the individual settlements. Assistance to the Palestinians was being blocked and obstacles were being mounted from day to day. He was opposed to any bantustanization of Palestine. The international community had to intervene more forcefully. Certain Israeli products were sold in Europe in contravention of agreements between the European Union and Israel. Referring to specific NGO action, he pointed out that every Friday protestors picketed the Israeli Embassy in Brussels demanding that United Nations resolutions be honoured. He proposed the establishment of an airlift between Europe and the Occupied Palestinian Territory, stating that if it had been done for Berlin, it could be done for the Palestinian people too, using the airstrip in Gaza. He said the Government of Belgium, together with a group of Belgian NGOs, had already started such a programme and would make its first airlift in March. Europeans had to be active citizens in the European Parliament, which, in turn, could be in touch with the Parliaments in the Middle East/Mediterranean region. The Euro-Mediterranean area should open up a new era of cooperation.

81. **Bernard Sabella**, representative of the World Council of Churches (WCC) said that all the Eastern, Orthodox and Catholic Churches respected the right of people to struggle against injustice and to gain freedom. He expressed deep sadness and grave concern over the new escalation of violence that had taken a terrible toll on human life. WCC shared the frustration and disappointment of its Palestinian sisters and brothers who suffered from the exclusion, humiliation and discrimination caused by restrictions on movement. Calling for an end to Israeli occupation, he said WCC would continue to assist Palestinians and pray for peace in the Middle East.

III. CLOSING SESSION

82. Closing statements were made by Faisal Aweidah, Permanent Observer of Palestine to the United Nations (Vienna), and Ibra Deguène Ka, Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People.

83. In his statement, the Permanent Observer of Palestine condemned, once again, the forced absence of the four invited speakers coming from the Occupied Palestinian Territory. He said that, nevertheless, other speakers had been able to highlight the alarming state of the Palestinian economy and the explosive situation in the Territory which was a result of the repressive policies of Israel, the Occupying Power. He expressed appreciation to the international donor community for its economic support of the Palestinian people. In particular, he thanked it for the recently provided humanitarian relief and emergency assistance. He emphasized the important role United Nations bodies and agencies were playing to mobilize international assistance and to deliver it to the population in need. In conclusion, he stressed that a lasting solution to the current crisis was only possible by ending the Israeli occupation of Palestinian land on the basis of the relevant United Nations resolutions.

84. In his concluding remarks, the Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People emphasized that the change of leadership in Israel at the beginning of February had undercut the momentum for reaching a final and comprehensive agreement. Since September 2000, the Occupied Palestinian Territory had been suffering under repeated closures, tight restrictions on the movement of people and goods, customs and tax withholding and other measures of collective punishment imposed by the Occupying Power. As a result, the Palestinian economy had suffered greatly and had come to the verge of collapse. The Palestinian people had been reduced to fighting for their survival and for the satisfaction of their basic day-to-day needs rather than working for long-term development.

85. He continued that the consequences of the situation, if it was not brought to a stop, were fraught with danger for peace throughout the region. The Committee once more called upon the donor community to continue with its assistance in order to meet the urgent needs of the Palestinian people. It requested donors urgently to contribute the funds needed to remedy the serious budgetary crisis that the Palestinian Authority was passing through at the moment.

86. He stressed that Palestinian economic rehabilitation and development were a prerequisite for peace in the Middle East. For peace to return and take root, a comprehensive, just and lasting political settlement must be coupled with a substantial improvement in the living conditions of the Palestinian people. Peace, security and prosperity go hand in hand for Palestinians, Israelis and the Middle East region as a whole.

* * *

ANNEX

Statement by the delegation of the Committee on the Exercise of the Inalienable Rights of the Palestinian People

On the eve of the opening of the United Nations Seminar on Assistance to the Palestinian People, the delegation of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, the organizer of the Seminar, learned with utmost concern that the four Palestinian speakers invited to address the different panels of the Seminar were not able to travel to Vienna because of the general closure of the Occupied Palestinian Territory by Israel, the Occupying Power. The delegation of the Committee deeply regrets the absence of Maher Masri, Minister for Economy and Trade of the Palestinian Authority; Hassan Abu Libdeh, President of the Central Bureau of Statistics of the Palestinian Authority; Mohammad Shtayyeh, Managing Director of the Palestinian Economic Council for Development and Reconstruction; and Ghania Malhis, Director of the Palestine Economic Policy Research Institute. In addition, a number of representatives of Palestinian non-governmental organizations (NGOs) invited to participate in NGO consultations have been prevented from attending the meeting.

As a consequence, the Seminar participants have been deprived of the first-hand experience of the invited high-ranking Palestinian officials, their assessment of the economic situation at a time of severe economic crisis and daily hardship affecting the entire population of the Occupied Palestinian Territory.

The delegation of the Committee denounces the Israeli policy of closures, collective punishment and constant violation of the human rights of the Palestinians. Those illegal practices have affected the Seminar and may have detrimental consequences for the Committee's programme of work. Participants in the Seminar have criticized the forced absence of the Palestinian speakers. The delegation of the Committee urges the Israeli Government to desist from such illegal policies that jeopardize the dialogue of the international community with the Palestinian people within the framework of United Nations conferences and meetings.

The Committee on the Exercise of the Inalienable Rights of the Palestinian People will consider steps to be taken in view of the serious obstruction in implementing its General Assembly mandate.

United Nations A/56/90-E/2001/17

General Assembly
Economic and Social Council

Distr.: General
20 June 2001

Original: English

General Assembly
Fifty-sixth session
Item 114 of the preliminary list*
Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources

Economic and Social Council
Substantive session of 2001
2-27 July 2001
Item 11 of the provisional agenda**
Economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and the Arab population in the occupied Syrian Golan

Economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan

Note by the Secretary-General

In its resolution 2000/31 of 28 July 2000, entitled "Economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and the Arab population in the occupied Syrian Golan", the Economic and Social Council requested the Secretary-General to submit to the General Assembly at its fifty-sixth session, through the Council, a report on the implementation of the resolution. The General Assembly, in its resolution 55/209 of 20 December 2000, also requested a report. The annexed report, which has been prepared by the Economic and Social Commission for Western Asia (ESCWA), is submitted in response to the two resolutions.

* A/56/50.
** E/2001/100.

01-41971 (E) 100701

Annex

Report prepared by the Economic and Social Commission for Western Asia

I. Introduction

1. In its resolution 2000/31, adopted on 28 July 2000, on the economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan, the Economic and Social Council stressed, inter alia, the importance of the revival of the Middle East peace process on the basis of Security Council resolutions 242 (1967) of 22 November 1967, 338 (1973) of 22 October 1973 and 425 (1978) of 19 March 1978, and the principle of land for peace as well as the full and timely implementation of the agreements reached between the Government of Israel and the Palestine Liberation Organization, the representative of the Palestinian people. In the resolution, the Council reaffirmed the inalienable right of the Palestinian people and the Arab population of the occupied Syrian Golan to all their natural and economic resources and called upon Israel not to exploit, endanger or cause loss or depletion of those resources. It also reaffirmed that Israeli settlements in the occupied Palestinian territory, including Jerusalem and the occupied Syrian Golan, were illegal and an obstacle to economic and social development.

2. In its resolution 55/209 of 20 December 2000, the General Assembly reaffirmed the inalienable rights of the Palestinian people and the population of the occupied Syrian Golan over their natural resources, including land and water; and called upon Israel, the occupying Power, not to exploit, to cause loss or depletion of or to endanger the natural resources in the occupied Palestinian territory, including Jerusalem, and in the occupied Syrian Golan. In the resolution, the Assembly recognized the right of the Palestinian people to claim restitution as a result of any exploitation, loss or depletion of, or danger to, their natural resources, and expressed the hope that the issue would be dealt with in the framework of the final status negotiations between the Palestinian and Israeli sides.

3. The delays in the implementation of the agreements reached between Israel and the Palestine Liberation Organization, the fact that those agreements have not been fully implemented and the delay in reaching a final status agreement intended to settle all outstanding claims between the two parties continue to have an adverse effect on the living conditions of the Palestinian people. Moreover, these delays and Israeli practices, particularly with regard to settlement expansion and the closure of passage routes, were among the primary causes of the outbreak of current tensions and violence, with thousands of people, including children, killed or wounded.

4. As a consequence of the crisis, restrictions on the mobility of the Palestinians have increased. For most of the period since October 2000, mobility between the West Bank and Gaza, and between the occupied Palestinian territory and the rest of the world, has been severely impeded. Travel for Palestinians between the West Bank and Gaza via the "safe passage" route has been blocked by Israeli authorities since 6 October 2000. As a consequence, students from the Gaza Strip have been unable to attend classes in the West Bank and relatives unable to visit one another; financial ties between the two areas have been damaged. According to the Oslo Accords, two routes were to be designated as safe passages. Israel is entitled, for security reasons, to close one of them or to alter the terms of entrance but must ensure that one of the passages is always open.[1] Today there is only one safe passage, thus obliging Israel to allow Palestinians to use it to travel between the Gaza Strip and the West Bank.

5. The Gaza International Airport and the border crossings at Rafah and the Allenby/Karameh Bridge have been closed for extended periods. Palestinian foreign trade has also been affected. Imports and exports trans-shipped through Israeli ports have been delayed or blocked completely for most of this period, while the commercial crossings at Rafah and the Allenby/Karameh Bridge have been closed about 70 per cent and 12 per cent of the time, respectively, between 28 September and 26 November 2000.

6. There have been varying levels of restrictions on mobility between cities, towns and villages in the West Bank and Gaza owing to reduced levels of security on roads and the imposition of internal closures by the Israeli authorities. Such measures have routinely

included the placement of physical barriers between Palestinian villages and cities and the deployment of military checkpoints on main roads. In addition, the Israeli authorities have imposed curfews on several areas in the West Bank, most notably in the city of Hebron and on numerous villages in the Nablus area.[2]

II. Economic and social repercussions of the Israeli occupation

A. Occupied Palestinian territory, including Jerusalem

7. During its 34-year occupation, Israel has established a range of civilian and military installations throughout the occupied Palestinian territory. Civilian Israeli settlements have been built at some 200 sites seized by civilian and military bodies representing the Government of Israel as well as by Israeli civilians empowered by Israel to undertake such activity. The land under exclusive Israeli control amounts to 59 per cent of the West Bank (Area C) and 20 per cent of the Gaza Strip. In addition, 30 per cent of the area of East Jerusalem is under effective Israeli ownership.

8. Israel has established approximately 170 settlements in the West Bank with a civilian population of approximately 200,000. Approximately 180,000 Israelis reside in East Jerusalem and in the Gaza Strip, 7,500 settlers live in 16 settlements.

9. With few exceptions, settlements are connected by bypass roads, either existing or planned, to main transport routes to Israel. As a consequence of the unrest that began in September 2000, Israel has engaged in a wide-ranging campaign to construct scores of new roads aimed at ensuring safe passage between the settlements and Israel. Israeli military bases have been established throughout the West Bank, according to the Israeli newspaper *Yediot Aharanot*, "particularly next to isolated settlements. The intention is not to leave isolated settlements in the heart of occupied Palestinian territory areas without an army base nearby. The camps to be established, therefore, will separate the territory under Palestinian control from the settlements".[3]

10. The Government of Israel granted building permits for 1,184 housing units during the first 10 months of 2000. Data from the Central Bureau of Statistics and the Ministry of Construction and Housing indicate that 529 of those units were in the greater Jerusalem area. However, many permits were also granted in settlements far from Israel. They included permits for 59 units in Kedumim, 13 in Talmon and 18 in Psagot.

11. During 2000, the Ministry of Construction and Housing began building 1,943 housing units in the territory, up from 1,367 in 1999. However, this number does not include private construction, which can range from 50 to 150 per cent of public building. In addition, the population of the settlements rose by 8 per cent during the year, to 203,068 people. The Israel Land Administration sold 2,804 lots for building in the territories in 2000, or 12.5 per cent of the total number of lots it sold that year.[4]

12. The geographic distribution of settlements on the occupied Palestinian territory restricts the growth of Palestinian communities. Although settlements themselves directly control less than 10 per cent of the West Bank and 5 per cent of the Gaza Strip, prospects for Palestinian sovereignty would be compromised by the extensive security measures required to ensure their existence. This necessarily includes the ever-expanding system of roads linking settlements with each other and with main access arteries to Israel, and the permanent presence of the Israeli army in the territory.[5]

13. According to the mayor of Khan Yunis, "settlement continuity poses a major obstacle to the Palestinian Authority and its sovereignty over the land and, in addition, the settlements prevent any real development activity in the area. The settlements control 34 per cent of the Khan Yunis area, amounting to 112 square kilometres. The presence of the settlements adversely affects developments in tourism and fishing. The entire settlement policy places the region on the brink of a volcano and on the way to a huge new [crisis] that, this time, will not end until the settlements are removed". The mayor termed the struggle over the settlements "a major aspect of the conflict", explaining that "no peace is possible in the shadow of the settlements".[6]

14. Israel has declared 290,970 acres of the West Bank (20.2 per cent of its total area), mostly in the Jordan Valley, as closed military areas, and has created an additional 29 closed military areas in Gaza (420 acres). Moreover, Israel maintains 71 military bases in the West Bank (9,563 acres). Although most of these areas have low agricultural value, they constitute the

major grazing areas in the West Bank. Since Palestinian pastoralists are denied access to these areas, the remaining grazing areas suffer from severe overgrazing and are under threat of permanent desertification. Furthermore, the wildlife and rich biodiversity that characterize these areas are harmed by the use of heavy military vehicles and tanks.[7]

15. According to Palestinian sources, Israel seized around 48,904 dunums (one dunum equals 1,000 square metres) of West Bank land and demolished more than 53 houses in the period from May 1999 to May 2000.[8]

16. In the Khan Yunis area, Israel is reinforcing military posts near the Amal quarter, and fortifying posts near the settlements close to the Mawasi area. These fortifications, composed of tons of cement and sandbags and yards of barbed wire, are topped by new machine-gun emplacements. The work involves the annexation of a hundred-yard strip within the city boundary. Incursions have also been made into Area B land near Mawasi.[9]

17. In March 2000, Israel's Ministry of Construction and Housing prepared plans for the construction of 22,410 new units in the (East) Jerusalem region of the West Bank, whose settler population at the end of 1997 was 40,000. The Ministry's objective is to increase the number of Israelis living in this area to 250,000 by the year 2020. The Israel Land Administration plans to merge the settlement of Beitar with nearby Sur Hadassah in Israel.[10]

18. On 10 April 2000, the Knesset's Budget and Security Committee approved $400 million for settlement security and construction of 12 bypass roads in the occupied territory. The funds will be taken from $1.2 billion in aid from the United States of America promised as part of the Wye River agreement in October 1998. Overall expenditures on settlements are approximately $500 million annually.[11]

19. In addition to settlement expansion and the seizure of land, water remains a critical issue for Palestinians. Over 150 West Bank villages, home to some 215,000 Palestinians, are not connected to a network to supply running water.[12] As a result, a number of municipalities in the West Bank have been forced to establish a rotation programme between different areas of the town, in order to distribute the little water they have.[13]

20. The scope of Israeli control of the critical water sector did not significantly change as a consequence of the Oslo-related agreements between Israel and the Palestinian Authority, according to the Israeli human rights organization B'Tselem. Israel's control is evident in its power to veto any new water project for Palestinians, both through the Joint Water Committee and through the Civil Administration.

21. The starting point for the agreement on the division of water from the shared sources is that the amount of water for Israeli consumption, both within the Green Line (pre-1967 border) and in the settlements, is not reduced. According to this principle, any additional water that the Palestinians utilize comes from new sources, not from a redivision of existing sources. From the perspective of Israeli-Palestinian water needs, the sole achievement in this agreement is the Israeli-Palestinian understanding to increase the water supply to the occupied Palestinian territory by approximately 30 per cent during the interim period, from September 1995 to May 1999. As of June 2000, only half of the promised additional quantity was produced and supplied to the Palestinians. B'Tselem concludes that "the [Israeli] Mekorot water company continues to conduct a policy of discrimination. Mostly during the summer months, Mekorot does not increase, and even decreases, the quantity of water supplied to Palestinian towns and villages so that it can meet the increased demand in settlements that receive water from the same pipelines".[14]

22. According to the Director of the Palestinian Hydrology Group, "the overall current water consumption in the West Bank varies between 110 and 115 mcm (million cubic metres) annually and in Gaza it is 100 mcm/year. All throughout the Israeli occupation from 1967 to the present, these figures have hardly changed, despite growing water needs due to the nearly three per cent in population growth, not to mention socio-economic development".[15] "In Palestinian society, the agricultural sector consumes more water than any other sector, around 70 per cent of the available water in the West Bank and Gaza. In terms of distribution, water usage can be divided into the West Bank and Gaza (including settlements) and Israel, which has control over the majority of available water in the West Bank and Gaza and in Israel proper. For domestic use, the occupied Palestinian territory as well as Palestinian Authority-controlled areas, use 53 mcm, settlements use 13 mcm and Israel swallows up

520 mcm. In agriculture, for example, while Palestinians consume 152 mcm, Israelis use up 1,200 mcm. In overall consumption, while Palestinians consume 114.5 mcm per year, the settlements consume a total of 592 mcm and Israelis consume 400 mcm. The settlements actually use more water than Israel proper. Israel currently consumes 80 per cent of West Bank water".[16]

23. It was reported in June 2000 that Israeli authorities had sabotaged 20 ancient water cisterns located on Islamic Waqf land near the Jewish settlement of Efrat, west of Bethlehem. It was also reported that the Israeli authorities had ruined the water channels that feed the cisterns in order to diminish local farmers' reserve waters for irrigation. The cisterns are located in an archeological site near Bethlehem where new housing units are being built to expand Efrat. The settlers continue to pump their sewage into the cisterns and agricultural land, ruining 1,000 dunums or 250 acres of land.[17]

24. The construction by Israel of security trenches in the Jericho and Ramallah regions in March 2001 also impacted the provision of water for Palestinian communities. The water pipes leading to the village of Surda, north of Ramallah, for example, were destroyed by the construction of these barriers, creating a temporary interruption in the water supply.[18]

25. Not only does waste produced by Israeli settlements located in the occupied Palestinian territory continue to degrade the area's water resources, but Israeli practices in the occupied Palestinian territory remain insensitive to environmental considerations, thereby compromising the Palestinian population's quality of life. The Jordanian environmental institution has confirmed that the condition of the water in the River Jordan has deteriorated dramatically owing to wastes coming from Israeli settlements which affected the river's fish and led to the loss of an important source of water life.[19]

26. In April 2000, after years of complaints that the Israeli settlement of Kfar Darom was dumping its raw sewage into the Palestinian town of Deir Al Balah, causing sickness and polluting coastal water, Palestinians attempted to improve the situation. However, Israeli occupation forces intervened to prevent a Palestinian bulldozer from redirecting the sewage away from populated areas.[20]

27. *Voice of Palestine* reported that lands in the West Bank's Salfit district had been adversely affected by the dumping of waste produced in the Israeli settlements of Ariel and Burkan. The settlers had been pumping wastewater and chemicals from their factories on Palestinian agricultural land and into freshwater sources. The Salfit region is the Palestinians' main source of freshwater, which comes from artesian wells.[21]

28. Sewage from homes in the West Bank settlement of Adam, East of Jerusalem's Neve Ya'akov settlement neighbourhood, is seriously contaminating the springs that feed into Wadi Kelt, causing a stench and killing animal life, according to an investigation by Israel's Nature Reserves and National Parks Authority. The study said the sewage overflow was due to an increase in the number of families who had moved into Adam, despite the lack of a proper sewage infrastructure to accommodate them.[22]

29. The Palestinian Ministry of Agriculture warned of imminent environmental disaster in the village of Deir Ballout in the district of Nablus. Apparently, the area has been polluted by waste from an Israeli military base, Israeli dumping ground and sewage, and dirty wastewater from surrounding settlements.[23] Additionally, the construction of at least seven industrial zones in the West Bank by the Government of Israel has contributed to the pollution. Located mainly on hilltops and occupying a total area of approximately 746 acres, these industries produce industrial wastewater and solid waste that often pollute adjacent Palestinian lands. At least 200 factories are located in the West Bank, notably aluminium, leather-tanning, textile-dyeing, battery, fibreglass, plastic and other chemical factories. Clear evidence that Israeli factories operating in the occupied Palestinian territory do not follow pollution prevention measures is provided by the Barqan industrial zone, which houses factories producing aluminium, fibreglass, plastic, electroplating, and military items. Industrial wastewater from this zone flows untreated into the nearby valley, damaging agricultural land belonging to the Palestinian villages of Sarta, Kufr Al-Deek and Burqin, and polluting the groundwater with heavy metals. In the central part of the Gaza Strip, the Israeli settlement of Kfar Darom releases sewage and chemical waste from its industrial plants to the Al-Saqa valley.[24]

30. A declaration stating that water and sewage infrastructures must not be harmed despite the military conflict was signed by Israeli and Palestinian representatives at the Erez Junction on 31 January 2001. In the declaration, the two sides promised to take all the necessary steps, despite the current difficult circumstances, to provide water and treat sewage in the West Bank and Gaza Strip, and to quickly repair malfunctions and damage to the systems. Both sides made it clear in an appeal to their public opinions, that the water systems of the two peoples were intertwined and serve both populations, and that any harm done to them would cause damage to Israelis and Palestinians alike.[25] However, Palestinians from the village of Hares report that water has regularly been cut off since the recent crisis began — not by the Israeli water company that provides it, but by Jewish settlers operating under cover of darkness.[26]

31. A report in November 2000 noted the "domino effect" of Israeli curfews on the environment. For example, medical waste produced in the hospitals is not being disposed of properly. Transportation means to central and regional dumping facilities are being cut off (that is, Bethlehem hospitals dispose of their waste in Hebron) and local autoclaving units are overwhelmed and often inoperable.[27]

32. In the Gaza Strip, numerous solid waste piles accumulated and collection efforts were interrupted, owing to the continued closure of transportation routes to disposal sites and prolonged harassment of municipality workers attempting to remove the existing garbage. Municipality employees and volunteer workers were the targets of Israeli guns, even while collecting the trash overnight.[28]

33. Concurrently, the Hebron-Bethlehem joint landfill project funded by the European Investment Bank has come to a halt, as have preparations for a solid waste project intended for implementation in Ramallah. In Jenin, the World Bank sanitary landfill project was stopped, and two projects in Tulkarem (the installation of an incinerator in Anabta along with an Italian landfill project) have been placed on hold indefinitely.[29]

34. On 21 February 2001, Ramallah and Al Bireh municipalities held a protest against Israeli measures to stop the movement of Palestinian garbage to local dumps. From early January, the Israeli authorities prevented solid waste from being dumped at the Al Bireh landfill, forcing garbage dumps to deposit their load at the Ramallah landfill, which had been closed the year before. Palestinian environmental affairs ministry officials warned that the seepage from the landfill could cause an epidemic in the area.[30]

35. According to a recent study, the total area in the West Bank and Gaza officially designated as forest land decreased from 300,736 dunums in 1971 to 231,586 dunums in 1999. More than half of the affected areas are in Gaza, where 95 per cent of the forests have disappeared (from 42,000 dunums in 1971 to 2,000 dunums in 1999).[31]

36. About 80 per cent of the deforestation of land in the occupied Palestinian territory is attributable to the Israeli occupation: 78 per cent to settlements, about 2 per cent to the establishment of military bases, and less than 1 per cent to bypass roads. Local Palestinians are responsible for deforesting 14 per cent of the land, while the remaining 6 per cent is privately owned.[32] Moreover, the Israeli army and Jewish settlers have uprooted more than half a million fruit trees, mainly olive trees, on privately owned land.[33] Olive trees have become targets in the cycle of provocation and reprisal. As of 9 November 2000, 4,495 trees have been cut down by Israeli forces.[34]

37. Israeli occupation inhibits economic growth and investment, as a result of the continued ambiguity of the legal and political situation. There is no basic investment code in areas controlled by the Palestinian Authority, nor is there a settled legal code passed and signed by the chairman of the Palestinian Authority. In fact, "the complex overlay of laws and Israeli military orders in force during the occupation remains in place. This is further aggravated by Israeli-imposed restrictions on the movement of goods, factors of production and people between the areas controlled by the Palestinian Authority, Israel and the Gaza Strip, and between the rest of the West Bank and Jerusalem".[35]

38. Under the closure measures, Israel closes all the exits from the Gaza Strip into Israeli territory and prevents Palestinians from entering into Israel. Usually, imports from and exports to the Gaza Strip are also prevented under these measures. Under a partial closure, a limited number of citizens are allowed to move between the West Bank and the Gaza Strip, and to work inside Israel.[36]

39. The Israeli occupation forces continued imposing restrictions and obstacles on the trading activities of

the Gaza Strip. In February 2000, the Israeli occupation authorities announced that, from March 2000, Palestinian commercial vehicles would no longer be able to pass through the Erez checkpoint under the convoy system. Under this system, Palestinian trucks, after extensive searching, which sometimes lasts up to six hours, have been able to pass into Israel in a convoy with an Israeli military escort. More than 450 Gazan vehicles operated under this system, with more than 150 trucks using it daily.[37]

40. From March 2000, all commercial vehicles have been required to go to the Karni checkpoint, where they have to unload their product and have it reloaded onto Israeli trucks. Palestinian industry officials have estimated that, under the new restrictions, transport costs will increase by 100 to 110 per cent.[38]

41. According to the Wye River Memorandum, agreements on the southern "safe passage" route should have been concluded within a week of entry into force of the Memorandum, and operation of this route should have begun as soon as possible thereafter. The southern route was opened on 25 October 1999. Passage of Palestinians, however, is effectively restricted by Israeli security protocols.[39] There has been no agreement regarding the opening of the northern passage. Opening the port of Gaza has been similarly delayed owing to security demands made by Israel, although work on the three-year project commenced in 2000. The international airport in the Gaza Strip, under joint Israeli and Palestinian Authority supervision, opened to limited traffic in late 1998. Israel has shut down the facility for extended periods since the outbreak of violence in September 2000. The continuing restrictions on the operation of the airport have contributed to its failure, until now, to make a recognizable contribution to the Palestinian economy.

42. The crisis that erupted between Israel and the Palestinian Authority in September 2000 ended more than three years of limited economic recovery and progress in the areas of the Palestinian Authority. The recovery from the crisis of 1996 was robust enough to substantially reduce unemployment rates, stem the decline in real wages and reduce poverty rates. There had also been some significant progress in the rehabilitation and expansion of the physical infrastructure and institution-building projects. This progress has been undermined since the beginning of the crisis.[40]

43. The Palestinian gross domestic product (GDP) during 2000 was $580 million less than expected. According to the Palestinian Central Bureau of Statistics, GDP had fallen to $3.99 billion for all of 2000 from a forecasted $4.57 billion, owing to the Israeli closure and the siege on Palestinian towns since late September 2000.[41]

44. Private economic losses during the first three weeks of the crisis were estimated at $186.2 million. Lost income-earning opportunities were estimated at about half of the value of domestic production and nearly all of the income earned by Palestinians working in Israel. Since then, the economic losses have been compounded, while the loss of life, injuries and the physical destruction of private and public property have become more widespread.[42]

45. The lack of freedom of movement for people and goods caused by the current crisis has resulted in socio-economic hardships in the territory controlled by the Palestinian Authority. During the 123-day period from 1 October 2000 to 31 January 2001, the Israeli-Palestinian border used for labour and trade flows was closed for 93 days or 75.6 per cent of the time. Internal movement restrictions and internal closures, partial or severe, have been in place 100 per cent of the time in the West Bank and 89 per cent of the time in Gaza. The international border crossings to Jordan (from the West Bank) and to Egypt (from Gaza) have been closed for 29 per cent and 50 per cent of the time, respectively.[43]

46. The main impact of mobility restrictions and border closures has been the disruption of productive activities and the circulation of goods. The short-term economic losses include a reduction in the income of farmers, workers, merchants and business people who cannot reach their places of employment in the occupied Palestinian territory or who are unable to obtain inputs or sell their goods and services. This has been the case for a broad spectrum of economic activities, including agriculture, manufacturing, construction, trade, transportation and services.[44]

47. It is estimated that, in 1999, Palestinian workers earned about $750 million from jobs in Israel proper, Israeli settlements and industrial zones. In the first half of 2000, there was an average of about 125,000 Palestinians employed in Israeli-controlled areas on a daily basis. The average worker was earning a daily wage of about $27.50. As a group, these workers were earning approximately $3.4 million for each normal

working day prior to the crisis. Assuming no border closures and no change in the average number of workers or the average wage, Palestinian workers in Israel could have earned an estimated $822 million in 2000. Internal movement restrictions and border closures substantially reduced such income-generating opportunities for the last quarter of the year.[45] In the aggregate, excluding material damage to property and other losses, Palestinians are estimated to have lost $505.0 million during the 60-day period from 28 September to 26 November. The estimated losses are more than 2.5 times the value of donor disbursements to the Palestinian Authority during the first half of the year ($183 million). If these losses are distributed over normal working days in the occupied Palestinian territory, of which there were 51 during this period, the average daily loss is estimated at about $10 million.[46]

48. Prior to the crisis, there were approximately 70,000 unemployed Palestinians. It is estimated that another 190,000 persons have lost their jobs since September 2000. Thus, it is currently estimated that there are more than 260,000 unemployed persons in the occupied Palestinian territory. Evidence suggests that the average employed Palestinian supports himself/herself plus four others. Therefore, in addition to the negative impact on the livelihoods of 190,000 workers, the crisis has directly reduced the income of 760,500 other Palestinians. In total, more than 1,000,000 persons, or about one third of the population in the occupied Palestinian territory, have been immediately and negatively affected by mobility restrictions. If previously unemployed persons and their dependants are included (some 350,000 persons) the number of Palestinians enduring a certain amount of economic distress rises to 1,370,000 or 45.5 per cent of the population.[47]

49. Loss of employment in Israel plus mobility restrictions and border closures have resulted in an average unemployment rate of 38 per cent (more than 250,000 persons) as compared with 11 per cent (71,000 persons) in the first nine months of 2000. Owing to the high dependency ratio, unemployment now directly affects the incomes of about 900,000 Palestinians or 29 per cent of the population.[48]

50. The direct economic losses arising from movement restrictions are estimated at 50 per cent of the GDP for the four-month period from October 2000 to January 2001 and 75 per cent of wage income earned by Palestinian workers in Israel. The GDP loss is estimated at $907.3 million while the loss of labour income from employment in Israel is estimated at $243.4 million. The total loss is estimated at $1,150.7 million, equal to 20 per cent of the projected GDP for the year 2000 (assuming no border closures). The loss is about $11 million per working day or $3.50 per person per working day during the reporting period.[49]

51. In addition, there has been hundreds of millions of dollars in damage to public buildings and infrastructure and to private property and agricultural land as well as in costs for caring for more than 11,000 injured Palestinians, and in public revenue losses and other effects of the closures.[50]

52. During the period from 29 September 2000 to 15 January 2001, the Israeli occupation forces razed 6,291.5 dunums of land in the Gaza Strip, about 4,776.5 dunums (76 per cent) of which were agricultural lands, and about 1,515 dunums (24 per cent) were wooded and sandy areas. During the period from 19 December 2000 to 15 January 2001, the Israeli occupation forces razed 1,835.5 dunums of land, about 1,240.5 dunums (67.6 per cent) of which were agricultural lands and 595 dunums (32.4 per cent) were wooded lands. These figures do not include houses and civilian and agricultural facilities established on these properties, which were also razed and demolished. Bulldozers of the Israeli occupation forces also demolished 88 Palestinian houses during the period from 29 September 2000 to 15 January 2001, leaving the residents homeless.[51]

53. Since the beginning of the crisis, there has been a 50 per cent increase in the number of people living below the poverty line, estimated by the World Bank at $2.10 per person per day in consumption expenditures (less than 9 new shekels per day). The number of poor people has increased from about 650,000 to 1 million. The poverty rate has increased from 21 per cent to 32 per cent.[52] Thus, the occupation and the ensuing crisis have had deleterious effects on the welfare and quality of life of the Palestinian people.

B. Occupied Syrian Golan

54. The Golan Heights, captured from the Syrian Arab Republic in June 1967, has an extensive yet comparatively small settlement infrastructure, with 17,000 Israeli settlers residing in 33 settlements. Over 17,000 Syrians are clustered in five villages close to

the borders of the Syrian Arab Republic and Lebanon. Israeli-controlled territory in the occupied Golan, excluding considerable military zones and settlement areas, encompass nature reserves of 24,908 hectares, cultivated areas comprising 8,100 hectares, grazing areas of 46,575 hectares, and 2,531 hectares of orchards.[53]

55. The effective failure of negotiations between Israel and the Syrian Arab Republic in March 2000 resulted in a number of policy decisions aimed at reinvigorating settlement expansion in the Golan Heights. Subsequently, Israel's Ministry of Industry and Trade approved a $6.5 million investment for the expansion of an industrial concern in the Golan settlement of Mevo Hama. The producer of polypropylene exports 80 per cent of its production to Europe and the United States of America.[54] Israel's Ministry of Construction and Housing approved a new housing development in the Golan settlement of Katzrin, the first such action in many months.[55]

56. In April 2000, the Office of Prime Minister Barak informed the Golan Regional Council that the two-month ban on new construction in the Golan Heights had been lifted. Golan officials moved to implement new construction plans that focus on promoting tourism. Future plans include 2,500 homes in the four settlements Had-Ness, Kanaf, Gamla and Ramot.[56]

57. Employment opportunities for the Arab population in the Syrian Golan Heights continue to be restricted, since the movement of the Arab population between the Golan and the Syrian Arab Republic remains problematic. The employment available to the Syrian population in the Golan is limited to unskilled and semi-skilled daily wage labour. In most instances, these workers have no access to social benefits or health insurance, and job security is precarious, with no provision for unemployment compensation. Over and above these concerns, substantial wage differences prevail, to the detriment of the Syrian Arab population of the Golan.[57]

58. Improvement of living conditions is further inhibited owing to measures that restrict the expansion of educational facilities, as well as limited access to education, either in the Syrian Arab Republic or in Israeli colleges.[58]

59. Israel's taxation policy, according to a Syrian report, enhances the deterioration of living standards of the Golan Arab population. Taxation covers radios, television sets, households, income, land crops and local government. Almost all aspects of life are heavily taxed.[59]

Notes

[1] Oslo II Accords, Appendix 1, para. (c) (4)X.

[2] United Nations, Office of the United Nations Special Coordinator, *The Impact on the Palestinian Economy of Confrontations, Mobility Restrictions and Border Closures*, 28 September-26 November 2000, February 2001, http://www.arts.mcgill.ca/mepp/unsco/nov00/nov00.html, p. 1.

[3] *Report*, September-October 1999, p. 1.

[4] *Ha'aretz*, 16 January 2001; 5 March 2001.

[5] See A/55/84-E/2000/16, para. 3.

[6] *Hatzofe*, 16 March 2000, p. 10.

[7] Jad Issac, "The Environmental Impact of the Israeli Occupation", *Centre for Policy Analysis on Palestine*, Information Brief, No. 27, 14 March 2000.

[8] Palestinian Affairs Department, Annual report, 2000.

[9] Ramattan Daily, cited in *Hear Palestine*, 24 January 2001.

[10] *Report, "Settlement Timeline"*, vol. 10, No. 3, May-June 2000.

[11] Ibid., No. 4, July-August 2000.

[12] B'Tselem, "Thirsty for a solution: the water crisis in the occupied territories and its resolution in the final status agreement", July 2000, p. 59.

[13] Ibid., p. 7.

[14] Ibid., p. 95.

[15] *Palestine Report*, "Building Palestine", vol. 6, No. 5, 28 July 1999.

[16] Ibid.

[17] *Report*, "News Shorts", vol. 7, No. 1, 21 June 2000.

[18] *Ha'aretz*, 12 March 2001.

[19] *Hear Palestine*, 23 January 2001.

[20] B'Tselem, the Israeli Information Center for Human Rights in the Occupied Territories, Position Paper entitled "Thirsty for a solution: the water shortage in the Occupied Territories and its solution in the Final Status Agreement", July 2000, p. 7.

[21] *Report*, "News Shorts", vol. 7, No. 21, 18 June 2000.

[22] Ibid., vol. 6, No. 35, 23 February 2000.

[23] *Hear Palestine*, 13 July 2000.

[24] Jad Issac, Information Brief, No. 27, 14 March 2000.

[25] *Ha'aretz*, 13 February 2001.

[26] *The Independent*, 18 November 2000 (according to mayor Hassoun Daoud in Hares).

[27] *Jordan Times*, according to a report of the Palestinian Ministry of Environmental Affairs, 22 November 2000.

[28] Ibid.

[29] The solid waste project is an initiative undertaken by Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), a German service company in international development cooperation, and KFW, a German promotional bank.

[30] *Report*, "Building Palestine", vol. 7, No. 35, 21 February 2001.

[31] Jad Issac, Information Brief, No. 27, 14 March 2000.

[32] Ibid.

[33] Ibid.

[34] The Independent Palestinian Information Network, 30 November 2000, http://www.infopal.org.

[35] Palestine Economic Policy Research Institute (MAS), *MAS Economic Monitor*, No. 1 (1997), pp. 2-3.

[36] Submission to the Commission on Human Rights at its fifty-sixth session by the Palestinian Centre for Human Rights, under item 8, Human rights violations in the Palestinian territories. The submission was presented on behalf of the following organizations: Fédération Internationale des ligues des droits de l'homme, the Palestinian Society for the Protection of Human Rights and the Environment, Arab Organization for Human Rights, Cairo Institute for Human Rights Studies, Arab Lawyers' Union, World Federation for Democratic Youth, South-North Organization, and the Palestinian Centre for Human Rights.

[37] Ibid.

[38] Ibid.

[39] Allegra Pacheco, "Closure and apartheid: seven years of peace through separation", *The Centre for Policy Analysis on Palestine*, Information Brief, No. 26, 6 March 2000.

[40] "Palestinian document on economic losses due to Israeli siege — 1st installment", 16 November 2000, Jerusalem, *Al-Quds* (in Arabic), 16 November 2000, p. 14.

[41] *The Palestine Report*, "Building Palestine", vol. 7, No. 29, 10 January 2001.

[42] UNSCO report, February 2001, p. 3.

[43] UNSCO, summary report (1 October 2000-31 January 2001), 17 February 2001.

[44] UNSCO report, p. 1.

[45] Domestic output and income amount to $388,000,000 and labour income from Israel amount to $117,010,080. Thus, total income losses would amount to $505,010,080. For further information refer to UNSCO report, February 2001, p. 2.

[46] Ibid., p. 3.

[47] Ibid.

[48] UNSCO, summary report, 17 February 2001.

[49] Ibid.

[50] Ibid.

[51] "Uprooting Palestinian trees and leveling agricultural land", *The Fourth Report on Israeli Land Sweeping and Demolition of Palestinian Buildings and Facilities in the Gaza Strip*, Palestinian Centre for Human Rights, *Hear Palestine*, 26 January 2001.

[52] UNSCO, summary report, 17 February 2001.

[53] *Golan Heights Information Server*, www.golan.org.il.

[54] *Report*, 27 March 2000, vol. 10, No. 4, July-August 2000, p. 6.

[55] *Report*, 28 March 2000, vol. 10, No. 4, July-August 2000, p. 6.

[56] *Report*, 14 April 2000, vol. 10, No. 4, July-August 2000, p. 7.

[57] Report on Israeli practices against human rights of Syrian citizens in the Occupied Syrian Golan, by the Ministry of Foreign Affairs, Syrian Arab Republic, May 2000 (mimeo) (in Arabic), pp. 15-16.

[58] Ibid., pp. 16-20.

[59] Ibid., pp. 12-13.